

[97A-10]

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SARDAR PATEL UNIVERSITY

FY BBA (ISM) (I-SEM.) (CBCS) EXAMINATION

Monday, 21st November, 2016

10.00 A.M – 12.00 P.M.

UM01CBBS05: ACCOUNTING FOR MANAGEMENT

Total Marks: 60

Note: Figures to the right indicate full marks.

Q.1 (A) Define Accounting. Explain the scope and objectives of accounting. (10)

(B) Distinguish between Capital Income and Revenue Income. (05)

OR

Q.1 (A) Define the following terms of Accounting: (10)

(1) Creditors (2) Stock (3) Voucher

(4) Capital (5) Assets

(B) Classify the following accounts in to Personal, Real, Nominal with rules of Debit and Credit: (05)

(1) Patent Account (6) Excise Account

(2) Bank of India Account (7) Capital Account

(3) Furniture Account (8) Closing Stock Account

(4) Mahindra Club Account (9) Stationary Account

(5) Bad debts Accounts (10) Rent Account

Q.2 (A) Explain the following Accounting Concepts and Conventions: (10)

(1) Money Measurement (3) Matching

(2) Conservatism (4) Disclosure

(B) What do you mean by International Financial Reporting Standards? Discuss use of International Financial Reporting Standard in details. (05)

OR

Q.2 (A) What do you mean by Accounting standards? Discuss need of Accounting Standard in Details. (10)

(B) List out any ten Accounting Standards issued in India. (05)

Q.3 (A) What is book of Original Entry? Discuss its Importance in detail. (10)

(B) Write a Note on: Errors affecting the Trial Balance. (05)

OR

Q.3 Journalize the following transactions and post them in to the ledger and find out the balances of ledger accounts of Shri. Malhar parikh (15)

For 2016, September,

1 Start business with cash Rs.500000, stock Rs.100000, and furniture of Rs.100000.

5 Purchase Goods of Rs.5000 for cash from Meet Brothers.

7 Sold Goods costing Rs.20000 to Sanjay, 50% of amount is received at the time of sale.

10 Purchased a Printer of Rs.8000.

15 Paid rent Rs.5000 and salary Rs.10000 to the accountant Vipul.

16 Received Commission Rs.2000 from Shilpa.

Q.4 Draw up Trading Account, Profit and Loss Account and Balance sheet with an imaginary figures. (15)

OR

Q.4 From the following trial Balance of Shri Sattaram, prepare Trading and profit and loss (15)

Account for the year ending 31st March, 2016 and Balance Sheet as on that Date:

Trial Balance

Names of the Account	Debit Rs.	Credit Rs.
Purchases	3,10,000	
Opening stock	50,000	
Cash in Hand	2,100	
Cash at Bank	12,000	
Drawings	4,000	
Rates and taxes	5,000	
Salaries	32,000	
Postage and Internet	11,500	
Salesman's commission	35,000	

Insurance	9,000	
Advertising	17,000	4,15,000
Sales		2,88,600
Capital		40,000
Sundry Creditors	22,000	
Furniture	3,000	
Printing and stationery	48,000	
Motor car	2,000	
Bad debts	4,000	
Cash Discounts	14,000	
General expenses	10,000	
Carriage Inward	22,000	
Carriage Outward	20,000	
Wages	11,000	
Audit expenses	1,00,000	
Sundry Debtors		

Adjustments:

- (1) Closing Stock was Valued at Rs. 1, 45,000.
- (2) Sattaram had withdrawn goods worth Rs.5, 000 during the year.
- (3) Depreciate Furniture by 10 % and motor car by 20 %.
- (4) Purchases include purchases of furniture of Rs.10, 000.
- (5) Write further bad debts worth Rs.5, 000.
- (6) Provision for bad debts is to be created at 5 % of debtors. Also create a discount reserve on Debtors at 2 % and Creditors at 2%.
- (7) The salesmen are entitled to a Commission on of 10% on Sales.

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