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SEAT No. \_\_\_\_\_

No. of Printed Pages : 3

**SARDAR PATEL UNIVERSITY****B.B.A (International Business) Semester - I****Code: UM01CBBF05/B05****Subject: ACCOUNTING FOR FOREIGN TRADE****Date: 26 -10- 2018****Time: 02:00PM to 04:00PM**

Friday

**Total Marks: 30**

- Q.1 (a) Give the Definition and Objective of Accounting. 08  
 (b) Write a short note on types of Error. 07

**OR**

- Q-1 Explain the following terms: 15  
 a) Purchase b) sales c) Trial balance d) Bills Payable e) Bills Receivable f) Assets  
 g) Capital

- Q.2 Record the following transactions of Mr.P.C.Gandhi, in his Journal. 2016 15  
 May 1: Reeti started business with cash Rs. 6,50,000.  
 3: Purchased goods of Rs. 2,50,000 at a trade discount of 10 % from Vrijesh.  
 5: Vrijesh paid Rs. 1,50,000 on account.  
 7 : Sold goods of Rs. 1,00,000-to Rashmi at Rs. 95,000 for cash and opened a bank account with that amount.  
 9: Purchased a Security Appliances for shop at Rs. 1,50,000.  
 12: Sold goods for cash at a trade discount of 10 % to Aruna Rs. 120,000.  
 14: Sold goods of Rs. 60,000 purchased from Jasmin to Jigar at a profit of 10 %.  
 18: Jigar returned goods of Rs 15,000 which we returned to Jasmin.  
 24: Received Rs. 45,000 by a crossed cheque from Jigar.  
 31: Paid Rs. 7,000 for rent by a cheque.

**OR**

- Q.2 Write a short note on Subsidiary books with specimen. 15  
**OR**  
 Q.3 From the under noted Trial Balance of a trader as on 31<sup>st</sup> Decemember' 2017, Prepare Trading and Profit and Loss Account for the year ended 31st Decemember'17 and Balance sheet as on that date. 15

<b>Debit Balances</b>	<b>Rs.</b>	<b>Credit Balances</b>	<b>Rs.</b>
Cash in Hand	2,400	Capital	1,60,000
Purchases	2,40,000	4% Bank Loan	40,000
Opening Stock	70,000	Bills Payables	44,000
Sundry Debtors	1,00,000	Sundry Creditors	48,000
Plant	1,20,000	Sales	4,00,000
Furniture	30,000	Bad Debt Reserve	2,400
Bills Receivables	40,000		
Rent and Taxes	20,000		
Wages	32,000		
Salaries	40,000		

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	<b>694,400</b>		<b>694,400</b>
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Additional Information :

1. Closing Stock Rs. 80,000
2. Provide Outstanding (i) Rent and Taxes Rs. 4,000 (ii) Wages Rs. 6,000 and (iii) Salaries 8,000
3. Depreciation on Plant 5% and on furniture 10 %.
4. Write off Rs. 1000 as bad debts.
5. Create Bad Debt Reserve 2.5% on Sundry Debtors.

**OR**

Q-3 Following is the Trial Balance of Kailash Company Ltd. Prepare the company final accounts. 15

**Trial Balance as on March 31, 2017  
(Rupees in '000')**

Debit Balances	Amount	Credit Balances	Amount
Cash on hand	50	Equity shares fully called up	5,400
Cash at Bank	800	10% Debentures	6,000
Sundry Debtors	200	General Reserves	450
Bills Receivables	450	Profit & loss A/c	270
Purchases	5,250	Reserve for Bad debts	30
Sales Returns	50	Sundry Creditors	280
Wages	180	Bills Payable	560
Salary	320	Sales	7,550
Carriage Inward	45	Purchase return	36
Investment at 6%	800	Interest on Investment	24
Land & Building	6500		
Furniture	350		
Plant and Machinery	2000		
Interest on Debentures	300		
Calls-in-arrears	400		
Bad Debts	20		
Goodwill	500		
Director's fees	120		
Preliminary Expenses	80		
General Expenses	70		
Opening Stock	2,000		
Interim Dividend	115		
	<b><u>20,600</u></b>		<b><u>20,600</u></b>

Adjustments:

- 1) Stock at the end of year was Rs.18,00,000
- 2) Depreciate plant & Machinery at 10%, Furniture at 15% and Land & Building at 2%
- 3) Write off preliminary expenses by 25%
- 4) Dividend on equity shares at 5% to be provided.
- 5) Income-Tax provision of Rs. 40,000 to be made
- 6) An Amount of Rs. 1,00,000 to be transferred to General Reserve.
- 7) Reserve for Bad debts to be maintained at 10% on Sundry Debtors.

Q-4 ABB & Co has head office at Washington(USA) and branch at Chennai(India).

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Chennai branch furnishes you with its trial balance as on 31<sup>st</sup> March, 2015 and the additional information given thereafter.

	Debit	Credit
Stock on 1 <sup>st</sup> April, 2014	3,00,000	
Purchases and Sales	8,00,000	12,00,000
Debtors and Creditors	4,00,000	3,00,000
Bills of Exchanges	1,20,000	2,40,000
Wages and Salaries	5,60,000	
Rent Rates & taxes	3,60,000	
Sundry Charges	1,60,000	
Computers	2,40,000	
Bank Balance	4,20,000	
Washington office A/c		16,20,000
	<b>33,60,000</b>	<b>33,60,000</b>

Additional Information:

- Computers were acquired from remittances of USD 6000 received from Head office and paid to the suppliers. Depreciate computers at 60% for the year
- Unsold stock of Chennai branch was worth Rs.4,20,000 on 31<sup>st</sup> March 2015
- The Rates of exchanges may be taken as follows:
  - On 1-4-2014 @ Rs.40 per \$
  - On 31-3-2015 @ Rs.42 per \$
  - Average Exchange rate for the year @ Rs.41 per \$
  - Conversion in \$ shall be made up two decimal accuracy.

You are asked to prepare in US \$ the revenue statement for the year ended 31<sup>st</sup> March 2015 and the balance sheet as on that date of Chennai branch as would appear in the books of head office of ABB & Co. You are informed that Chennai Branch account showed a debit balance of US \$ 39609.18 on 31-3-2015 in Washington books and there were no items pending reconciliation.

**OR**

Q-4 State the performa of Vertical format of Profit & loss Account and Balance sheet as per revised schedule VI of companies bill 2013

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