

SARDAR PATEL UNIVERSITY
BBA (ITM) SEM: I
2018

FRIDAY, 26th OCTOBER
02:00 P.M. to 04:00 P.M.

UM01CBBI05: ACCOUNTING FOR MANAGEMENT

Total Marks: 60

Note: Figures to the right indicate marks of question.
All working notes are part of the answer.

- Q:1[A]** Define the term accounting. Explain objectives of keeping accounts. [08]
[B] Write different types of accounts and give two example of each. List out rules of debit and credit for each type of account. [07]

OR

- Q:1[A]** Explain following accounting terms: [08]
 1) Capital
 2) Vouchers
 3) Discount
 4) Drawings
[B] Distinguish between: Capital expenditure and revenue expenditure. [07]

- Q:2[A]** Explain following accounting concepts: [08]
 1. Separate Entity Concept
 2. Going Concern Concept
[B] Clarify the concept of accounting standard and IFRS? Give list of IFRS issued by the authority. [07]

OR

- Q:2[A]** Explain: [08]
 1. Dual Aspect Concept
 2. Accounting period/Periodicity Concept
[B] Write a note on: accounting conventions. [07]

- Q:3** Record the following transactions of Ms.Madhuri in her Journal, post them in ledger accounts, find out balances and prepare trial balance. [15]

2018

- March 1 Started business with cash Rs.50,000.
 March 3 Purchase goods of Rs.15,000 at trade discount of 20% from Silpa.
 March 5 Purchase a machinery for Rs.8,000.
 March 7 Paid Rs.1,500 for rent by cheque.
 March 9 Sold goods of Rs.12,000 at trade discount of 10% to Prapti for Cash.

OR

①

(PTO)

Q:3[A] Record the following transactions of Ms.Taniya in her Journal.(Narration not required) **[08]**

2018	
June 1	Started business with cash Rs.5,00,000 and Furniture Rs.30,000.
June 3	Opened bank account with Rs.15,000.
June 5	Purchase goods of Rs.20,000 at 20% trade discount from Big Bazar.
June 7	Goods of Rs.1,000 were withdrawn for personal use.
June 10	Paid salary Rs.5,000.
June 11	Received interest Rs.500 and rent Rs.1,500.
June 15	Purchased a machinery costing Rs.20,000 by cash.
June 20	Sold goods of Rs.3,000.

[B] What is trial balance? Explain errors not affecting trial balance. **[07]**

Q:4 From the following records of Mr. Karan prepare final accounts as on 31st March 2018. **[15]**

Particulars	Amt	Particulars	Amt
Sales	3,55,000	Debtors	30,000
Sales return	5,000	Rent received	3,000
Purchases	2,52,000	Discount received	3,000
Purchase return	2,000	Discount allowed	2,000
Carriage outward	1,000	Commission allowed	1,000
Carriage inward	5,000	Taxes and insurance	3,000
Opening stock	40,000	Provision for bad debts	2,000
Freight	5,000	Bad debts	1,500
Capital	60,000	Salaries	20,000
Furniture	5,000	Dividend paid	5,000
Bank overdraft	10,000	General expenses	5,000
Buildings	45,000	Rent paid	3,000
Plant and machinery	40,000	Bills receivable	21,500
Sundry creditors	25,000		
Bills payable	30,000		

Additional Information:

- 1) Stock at the end Rs. 42,000.
- 2) Provide depreciation on plant & machinery Rs. 2000 and buildings Rs.1000.
- 3) Provision for doubtful debts at 5% on debtors.
- 4) Outstanding Rent Rs. 1000.
- 5) Prepaid Salaries Rs. 1000.
- 6) Provide interest on capital at 5%.

OR

Q:4 From the following information of Ms. Krishna prepare Trading and P & L Account for the year ending 31st Dec, 2018 and Balance Sheet as on the date.

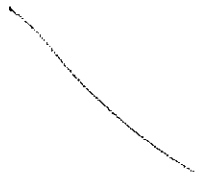
[15]

Particulars	Amt.	Particulars	Amt.
Sales	65000	Discount allowed	100
Sales return	500	Discount received	500
Opening stock	8000	Salaries	3000
Purchases	29000	Interest paid	400
Purchases return	300	Furniture	3000
Direct wages	5000	Buildings	20000
Railway freight	5000	Plant and Machinery	20000
Carriage inwards	4000	Cash in hand	500
Capital	30000	Bills payable	6200
Drawings	5000	Reserve for bad debt	500
Sundry debtors	10000	Bad debt	300
Sundry creditors	12000	Cash at bank	500

Additional Information:

- (1) Stock at the end Rs 8,000.
- (2) Outstanding salaries Rs.500.
- (3) Depreciate plant and machinery at 10% p.a. and buildings at 5% p.a.
- (4) Provision for Doubtful Debts at 10% on Sundry Debtors
- (5) Interest on Capital at 10% per annum.
- (6) Prepaid interest Rs.100.

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