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SARDAR PATEL UNIVERSITY
BBA (ITM) (3 Years) (SEMESTER - I) (NC) EXAMINATION
26th October, 2018 (Friday)
2:00 PM to 4:00 PM
UM01CBBI10 – Accounting for Management

Total Marks: 60

Note: Figures in the right indicate marks

- Q-1 [A] Define 'Accounting' and discuss its objectives in detail. (09)
[B] Discuss classification of Accounts with its rule of Debit & Credit (06)

OR

- Q-1 [A] Give meaning of the following terms: (08)
1) Discount
2) Drawings
3) Goods
4) Transaction
[B] Write in detail: Scope / Users of Accounting (07)

- Q-2 Record following transactions of Ms. Punyashree, in her Journal, post them into ledger accounts and prepare trial balance: (15)

Date August, 2018	Transaction
1	Cash on hand was Rs. 5,00,000, balance of capital was Rs. 4,00,000 and balance of bank loan was Rs. 1,00,000.
6	Goods worth Rs. 10,00,000 have been sold for cash, out on which 10% trade discount and 20% cash discount have been allowed.
15	Bank loan has been repaid by Rs. 1,00,000
20	Goods worth Rs. 5,00,000 have been purchased from Mr. Shrey who has allowed 10% trade discount.
25	Mr. Shrey has been paid due amount on which 10% cash discount has been received.

OR

- Q-2 [A] Classify the following accounts in to Personal, Real and Nominal account. (07)
1. Bank Loan Account
2. Loose Tools Account
3. Depreciation Account
4. Bank of Baroda Account
5. Goodwill Account
6. Bad debts Account
7. Bad debts Recovery Account

- [B] Discuss in detail : Errors Not Affecting the Trial Balance (08)

- Q-3 Give specimen of Trading Account, Profit & Loss Account and Balance Sheet with imaginary figures. (15)

OR

- Q-3 The following is the trial balance of Shri Ghanshyam as on 31-3-2014. Prepare Trading account and Profit and Loss account for the year ending on 31-3-2017 and Balance Sheet as on that date: (15)

①

(PTO)

Name of account	Debit amount	Credit amount
Opening stock	1,00,000	
Purchases and sales	5,00,000	25,00,000
Goods return	1,00,000	50,000
Debtors and creditors	2,00,000	1,00,000
Bad debts and BDR	50,000	20,000
Discount	50,000	30,000
Capital and drawings	1,00,000	5,00,000
Salary	80,000	
Carriage inwards	20,000	
Reserves		2,00,000
Cash on hand	60,000	
Rent	40,000	
Goodwill	40,000	
Insurance premium (paid till 30-06-2017)	60,000	
Fixed assets	20,00,000	
Provident fund and contribution	50,000	1,50,000
Bills receivables and payables	1,50,000	50,000
Total	36,00,000	36,00,000

Additional information:

1. Closing stock has been valued at Rs. 5,00,000
2. Salary of Rs. 20,000 has been outstanding for payment.
3. Provide bad debts of Rs. 20,000 and bad debts reserve at 10% on debtors.
4. Write off Goodwill by 20%.
5. Depreciate fixed assets by 5%.
6. Interests on capital at 5% and on drawings at 10% are to be provided.

Q-4 [A] Give meaning of Share and discuss Types of share capital. (07)

[B] WE Limited issued 75,000 equity shares of Rs 10 each. The amount called up on shares was as under: (08)

	Rs.
On application per share	3
On allotment per share	2
On first call per share	3
On final call per share	2

All the amounts due on allotment and call were received on due dates of shares. Pass necessary journal entries in the books of company.

OR

Q-4 VIP Ltd. issued a prospectus inviting applications for 80,000 Ordinary Shares of Rs. 10 each at a premium of Rs. 3 per share payable as under: (15)

On Application	Rs. 2
On Allotment	Rs. 3
On First call	Rs. 5 (including premium)
On Second call	Rs. 3

Applications were received for 1,20,000 shares and allotment made pro-rata to the applicants of 96,000 shares and the remaining applications were refused and the amount was refunded. Money over-paid on applications was to be transferred to Allotment Account.

Shriya, to whom 3200 shares were allotted on pro-rata, failed to pay the allotment money and Hiyan, to whom 4000 shares were allotted failed to pay the two calls.

Pass necessary journal entries in the books of VIP Ltd.

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