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SARDAR PATEL UNIVERSITY

B.B.A. (ITM) (SEMESTER: I) EXAMINATION (3 YEARS) (2018 Batch)

2018

Thursday, 1st November

02:00 P.M. To 04:00 P.M.

UM01CBBI22: ACCOUNTING FOR MANAGEMENT

Total Marks: 60

Note: 1. Figure to the right indicate full marks of question.

2. All questions carry equal marks.

3. Working notes are the part of answer.

Q-1 Define the term accounting. Explain Advantages and Limitations of Accounting. [15]

OR

Q-1 Explain the Classification of Accounts with Rules of Debit and Credit in details with examples. [15]

Q-2 Write detail note on: [15]

1. Dual Aspect ($A=C+L$)
2. Business Entity concept
3. Cost Concept

OR

Q-2 Write detail note on: [15]

1. Accounting Standard 2 - Valuation of Inventory
2. Accounting Standard 6 - Depreciation Accounting

Q-3 Journalise the following transactions; post the same in relevant ledger account and prepare trial balance in the books of Jitendra for October, 2018: [15]

1. Started a business with cash Rs. 2,000, furniture Rs. 1,500, Goods Rs. 8,000
2. A personal scooter was sold for Rs.7,500 and out of this; Cash of Rs. 5,000 was brought into the business.
3. Sold goods to Ajay brother for Rs. 6,000.
4. Bought goods of Rs. 10,000 at 10 % trade discount from the sanjay, on the condition that 5 % cash discount will be allowed if payment is made within 15 days. Paid the half amount by cash.
5. Paid life insurance premium of Rs. 380.
6. Ajay brother are declared insolvent and could pay only 50 paise per Rupee.

OR

Q-3 (A) Journalise the following transactions in the book of Shri Avichal. [10]
October, 2018:

1. Started a business with cash Rs. 10,000, Loan from Karunasagar Rs. 5000 and stock of good for Rs. 1000.
2. Paid daughter's college fees Rs. 450.
3. Purchased goods from keval for cash Rs. 2000.
4. Purchase a Furniture Rs. 2,800 and paid Rs. 200 for wages.
5. Sold goods to Nilesh 1,010 at 10% trade Discount and 2% cash discount.

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(P.T.O)

6. Goods worth Rs. 440 were distributed free as a Sample.
7. Received commission Rs. 1,200 from Dhruvil.
8. Given goods worth Rs. 130 to flood relief fund.
9. Nilesh has paid Rs. 900 as full and final settlement.

(B) Write note on: Ledger

[05]

Q-4 From the following trial balance and additional information of Shri Darshan, prepare a trading and profit and loss account for the year ended 31 March 2018 and a balance sheet as at the same date. [15]

Trial balance as on 31 March 2018:

particulars	Debit(Rs.)	Credit(Rs.)
Opening stock	60,000	---
Purchase and Sales	5,20,000	8,40,000
Purchase return and sales return	40,000	20,000
Wages	10,000	---
Carriage inward	4,000	---
Octroi	8,000	---
Carriage outward	6,000	---
Salaries	24,000	---
Advertisement expenses	2,000	---
Fire insurance premium	16,000	---
Bad debt and BDR	10,000	8,000
Stationery and printing	6,000	---
Capital and drawings	20,000	2,60,000
Debtors and creditors	1,64,000	90,000
Bills	40,000	20,000
Cash and bank	12,000	10,000
Land and buildings	3,00,000	---
Plant and machinery	40,000	---
Furniture	20,000	---
10% loan from Dinesh	---	1,20,000
Interest on Dinesh loan	6,000	---
Bad debt recovered	---	10,000
Commission	---	22,000
Investments	92,000	---
	<u>14,00,000</u>	<u>14,00,000</u>

Additional Information:

1. Closing stock valued at Rs. 80,000.
2. Outstanding salaries on 31st march 2018 are Rs. 4,000.
3. Prepaid insurance premium is Rs. 2,000.
4. Interest due but not received on investment Rs. 10,000.
5. Provide depreciation on land and building @ 10 % and on Plant and machinery @ 20 % and Furniture @ 10 %.
6. Write off Rs. 4,000 as bad debt and maintain provision for doubtful debt at 5% on debtors.

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OR

Q-4

The following trial balance was extracted from the book of Shri Ram a sole trader, at [15] the close of business on 31st March 2018:

particulars	Debit(Rs.)	Credit(Rs.)
Capital	---	1,50,000
Drawings	20,000	---
Purchases	1,51,000	---
Buildings	3,50,000	---
Insurance premium (including premium of Rs. 900 up to 30-09-2018)	1,500	---
Wages	300	---
Salaries	800	---
Outstanding advertisement expenses	---	5,000
Debtors	35,600	---
Interest received	---	5,600
Stock (01-04-2017)	5,000	---
Commission	---	4,500
Dividend	---	8,500
Sales	---	4,05,000
Purchase return	---	1,000
Trade expenses	7,400	---
Bad debts	2,500	---
Loan from Shita @ 10% (From 01-10-2017)	---	27,500
Patent	18,000	---
Cash and bank	15,000	---
	6,07,100	6,07,100

Adjustment:

1. Closing stock was Rs. 40,000.
2. Commission yet to be received Rs. 1,500.
3. Depreciate building @ 10 %.
4. Allow interest on capital @ 10 % and charged interest on drawings @ 10 %.
5. Goods of Rs. 5,000 withdrawn for personal use on 01-04-2017, which is not included in drawing.

Required:

Prepare a trading and profit and loss account for the year ended 31st March 2018, together with a balance sheet as at that date.

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