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# SARDAR PATEL UNIVERSITY

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

2018

Thursday, 1<sup>st</sup> 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. Define the term accounting. Explain Advantages and Limitations of Accounting. Q-1 [15] OR Q-1 Explain the Classification of Accounts with Rules of Debit and Credit in details with [15] examples. 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 [15] prepare trial balance in the books of Jitendra for October, 2018: 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. (A) Journalise the following transactions in the book of Shri Avichal. [10] O-3October, 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. (P.T.0

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- 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 [15] a trading and profit and loss account for the year ended 31 March 2018 and a balance sheet as at the same date.

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 20,000
Purchase return and sales return	40,000	
Wages	10,000	
Carriage inward	4,000	Pos
Octroi	8,000	ostaW
Carriage outward	6,000	
Salaries 1990000	24,000	
Advertisement expenses	2,000	.=
Fire insurance premium	16,000	8,000
Bad debt and BDR	10,000	
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	ot shows blok	1,20,000
Interest on Dinesh loan	6,000	
Bad debt recovered	and tousining	10,000
Commission	his I sueli	22,000
Investments	92,000	3
r estan mit elmi comubitano bras inscreta di mondenti.	14,00,000	14,00,000

#### 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.

The following trial balance was extracted from the book of Shri Ram a sole trader, at [15] Q-4 the close of business on 31st March 2018:

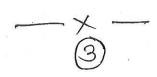
particulars	Debit(Rs.)	Credit(Rs.)	
•		1,50,000	
Capital	20,000	P00	
Drawings	1,51,000		
Purchases	3,50,000		
Buildings	1,500		
Insurance premium (including premium of Rs.	1,500		
900 up to 30-09-2018)	300	009	
Wages	800		
Salaries Outstanding advertisement expenses	35,600	5,600 4,500 8,500	
Debtors Interest received			
Stock (01-04-2017)	5,000		
Commission			
Dividend			
Sales			
Purchase return		1,000	
Trade expenses	7,400		
Bad debts	2,500		
Loan from Shita @ 10% (From 01-10-2017)		27,50	
	18,000		
Patent Cash and bank	15,000		
Cash and Dank	6,07,100	6,07,10	

## 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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		Bad Josh	
	18,000	can iron Shita & 10% (From 0)-10-2012)	
	18,000	Parent Cash and bank	
6,07,440			

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- Commission rel to be received K3 1,2004
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- 5. Longda of Rs. 5,000 withdra yo for personal use on 11 march . which is not

#### Remmed

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