

SARDAR PATEL UNIVERSITY
BBA(ISM) Ist SEMESTER
(CBCS) EXAMINATION
2018

Saturday, 27th, October
 2.00 P.M – 4.00 P.M.

Accounting For Management-UM01DBBS21

Total Marks: 60

Note: Figures to the right indicate full marks

- Q.1a) Explain the word accounting. What is the scope of accounting? [08]
 b) What are the advantages and limitations of accounting? [07]

OR

- Q.1a) Discuss the classification of business transaction and rules of Debit and credit. [09]
 b) Explain: Debtors, Reserve and Provisions and Depreciation [06]

- Q.2a) Write on accounting principles. [08]
 b) Accounting conventions of P/L account and Balance sheet. [07]

OR

- Q.2 Discuss the following: [15]
 1. AS 6 Depreciation Accounting
 2. AS 9 Revenue Recognition

- Q.3 Journalize the following transaction, post them to ledger and find out the balances of accounts. [15]

1. Shri Patel started business with cash ₹.50000 and furniture ₹.10,000.
2. Opened a bank account with DCB Bank and paid ₹.40,000 into it.
3. Purchased goods from Shah ₹.16,000.
4. Sold goods to Nilay ₹.8,000.
5. Nilay paid ₹.7,600 cash and discount allowed to him ₹.400.
6. Received ₹.3,000 for rent from Pandit and ₹.1,000 for commission from Jay.
7. Paid ₹.1,000 for brokerage to Aswin and ₹.1,600 for rent to Kavya.
8. Borrowed from Diya ₹.15,000.
9. Paid ₹.6,000 to shah by cheque.

OR

- Q.3 a) Explain the types of Errors in accounts. [08]
 b) What is journal? Explain the importance of journal. [07]

- Q.4 From the following Trial Balance of M/s. Maharshi you are required to prepared Trading and Profit and Loss Account for the year ended 31st March, 2018 and Balance Sheet as on that date. [15]

Trial Balance as on 31st March, 2018

| Particulars | Debit Amt. (₹.) | Credit Amt. (₹.) |
|-----------------------|-----------------|------------------|
| Capital | | 1,00,000 |
| Opening stock(1-4-17) | 17,000 | |
| Purchases and Sales | 96,100 | 1,72,000 |
| Wages | 7,400 | |
| Carriage inward | 5,400 | |
| Carriage outward | 2,000 | |

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(P.T.O)

| | | |
|---------------------------|-----------------|-----------------|
| Salary | 6,000 | |
| Building | 80,000 | |
| Furniture | 4,600 | |
| Depreciation on furniture | 500 | |
| Debtors | 81,000 | |
| Insurance | 1,600 | |
| Printing and Stationery | 2,500 | |
| Sundry Expenses | 4,400 | |
| Cash in hand | 12,500 | |
| Repairs | 1,000 | |
| Drawings | 8,000 | |
| Creditors | | 55,600 |
| Rent | | 2,400 |
| | 3,30,000 | 3,30,000 |

Adjustments:

- 1) The closing stock is valued at ₹. 7,600.
- 2) Outstanding salary was ₹.1200.
- 3) Depreciate building by 5%.
- 4) Insurance at ₹. 100 is paid in advance.
- 5) Building rent received in advanced was ₹.300.
- 6) Credit purchase of ₹.700 was not recorded in the books of accounts.

OR

Q.4 From the following particulars taken out from the books of Shri.Bhajiawala prepare Trading and Profit and Loss account for the year ended on 31st December, 2017 and balance sheet on that date: [15]

| | | | |
|----------------|----------|--|--------|
| Sundry Debtors | 52,000 | Motor car expense | 6,108 |
| Creditors | 22,000 | Rent, Rates and Taxes | 3,600 |
| Cash on hand | 2,392 | Insurance premium Paid on 1 st Oct.2017(Yearly) | 2,400 |
| Furniture | 3,500 | Cash at Bank | 6,200 |
| Motor car | 22,000 | Building | 24,000 |
| Purchases | 1,45,000 | Wages | 23,600 |
| Sales | 2,92,000 | General Expenses | 2,680 |
| Salaries | 8,240 | Carriage Inward | 2,040 |
| Opening stock | 11,400 | Carriage outward | 1,630 |
| Drawings | 8,000 | Other setting expense | 6,430 |
| | | Capital | 20,000 |

The following information is relevant:

1. Closing stock ₹. 35,000.
2. Goods worth ₹. 2,000 was distributed as free samples.
3. Write off ₹. 2,000 as bad debts and make provision for bad debt at 5% on debtors.
4. Depreciate furniture and building by 10%, Motor car by 20%.
5. Commission worth ₹. 3,600 has been earned but not received till the close of the accounting year.
6. An amount of ₹. 10,000 was borrowed from Mr.Shah on 1st July,2017 and it was returned on 31st December,2017.However,interest at 10% p.a. still remains unpaid.

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