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SARDAR PATEL UNIVERSITY
BBA (I-Semester) Examination
2017

Thursday, 16th March
10.00 am - 12.00 pm

UM01CBBA05 - Accounting for Management

Total Marks : 60

Note: Figures to the right indicate marks.

Q.1

- (a) Define Accounting and describe its objectives in detail. (09)
- (b) Explain the following terms: **(Any Three)** (06)
- | | | |
|------------|-------------|------------|
| 1. Debtors | 2. Purchase | 3. Capital |
| 4. Loss | 5. Cost | 6. Assets |

OR

Q.1

- (a) What is meant by 'Business transaction'? Explain the types of transactions with suitable illustrations. (09)
- (b) Write a note on:
'Types of Accounts'. (06)

Q.2 Write notes on : **(Any Three)**

1. Business Entity Concept (15)
2. Money Measurement Concept
3. Matching Concept
4. Going Concern Concept
5. Cost Concept

OR

Q.2

- (a) Explain 'Dual Aspect Concept' and 'Accounting Period Concept' with illustrations. (10)
- (b) Write a note on:
'International Financial Reporting Standards' (IFRS) (05)

Q.3 Journalise the following transactions in the books of Mahi Traders. (15)

- 2016**
Oct., 1 Started Business with Cash Rs. 90000, Machinery Rs. 40000, Building Rs. 85000, Furniture Rs. 13000 and Stock of Goods Rs. 5000.
1. Expenses incurred for inauguration of shop Rs. 6000.
 2. Appointed Mr. Kunal as an Accountant in the office.
 3. Deposited Rs. 19000 in Bank of India.
 5. Sold goods to Rutu worth Rs. 10000 at 10% Cash discount.
 8. Purchased goods of Rs. 15000 from Gayatri Traders at 8% trade discount.

10. Rs. 8000 were withdrawn for personal use.
15. A cheque of Rs. 13500 was given to Gayatri Traders in full settlement.
18. Purchased Stationary of Rs. 6500.
20. Cash sales Rs. 8000 and Cash purchases Rs. 10500.
24. Goods of Rs. 3000 were withdrawn for personal use.
28. Paid Salary Rs. 12000 by cheque.
30. Paid rent Rs. 4000.

OR

Q.3

- (a) Journalise the following transactions in the books of Pujan Traders and post them to ledgers for the month of September, 2016. (10)

2016 Started business with Rs. 150000 Cash.

Sept., 1

8. Purchased goods from Rajat Traders worth Rs. 18000 at 10% trade discount.
14. Deposited Rs. 40000 in Dena Bank.
18. Sold goods to Mayur & Sons Rs. 25000.
23. Paid Rs. 16000 to Rajat Traders in full settlement.

- (b) Discuss any two types of errors with the help of illustrations. (05)

- Q.4 Following is the Trial Balance of Atul Trader as on 31-3-2016. (15)

Debit balances	Rs.	Credit balances	Rs.
Plant and Machinery	160000	Capital	100000
Purchases	120000	Sales	354000
Stock (1-4-15)	60000	Purchase return	1500
Sales return	2000	Discount	1600
Discount	700	Sundry Creditors	50000
Bank charges	150	Bad debt reserve	1050
Sundry debtors	90000		
Salaries	13600		
Carriage inwards	1500		
Wages	20000		
Advertisement expenses	1500		
Carriage outward	2400		
Insurance	2500		
Cash on hand	1800		
Cash at Bank	12000		
Rent, rates & taxes	20000		
	508150		508150

Adjustments:

1. The closing stock valued at Rs. 70000.
 2. Provide depreciation at 12% on plant & machinery.
 3. Provide 5% Bad debts on sundry debtors.
 4. Interest on capital to be allowed at 10% per annum.
 5. Prepaid insurance Rs. 500.
 6. Outstanding salary Rs. 7000 and wages Rs. 3000.
- Prepare Final Accounts of Atul Traders from the above information.

OR

Q.4 Following is the Trial Balance of Mr. Suraj as on 31-12-2015.

(15)

Debit balances	Rs.	Credit balances	Rs.
Furniture	6400	Capital	125000
Machinery	62500	Bad debt reserve	2000
Building	75000	Creditors	25000
Bad debts	1250	Sales	154500
Debtors	38000	Bank overdraft	28500
Stock (1-1-2015)	34600	Purchase return	1250
Purchases	54750	Commission	3750
Sales return	2000		
Advertising	4500		
Interest on Bank overdraft	1180		
Cash balance	6500		
Taxes & Insurance	12500		
General expenses	7820		
Salaries	33000		
	340000		340000

Adjustments:

1. The stock on 31-12-2015 was Rs. 32500.
2. Depreciate Building at 5%, Furniture at 10% and Machinery at 20%.
3. Salaries Rs. 3000 and Taxes Rs. 1200 are outstanding.
4. Prepaid insurance Rs. 1000.
5. A provision of 10% Bad debts is to be made on debtors.

You are required to prepare Final Accounts from the above information.

