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**SARDAR PATEL UNIVERSITY**  
**BBA (I Sem.) Examination**  
**2013**

**Wednesday, 20<sup>th</sup> November**  
**2.30 - 4.30 pm**

**U01CBBA05 - Accounting for Management**

**Total Marks: 60**

**Note:** 1. Figures to the right indicate marks.  
2. Show all necessary workings.

Q.1

- (A) Define 'Accounting' and state its objectives. [07]  
(B) Distinguish between:  
1. Revenue Expenditure and Capital Expenditure [04]  
2. Reserves and Provisions [04]

**OR**

Q.1

- (A) Explain in brief the following with appropriate examples: [08]  
1. Loss 2. Goods 3. Drawing 4. Debtors  
(B) Give classification of accounts and also state the rules of debit and credit. [07]

Q.2

- (A) Explain in brief any two accounting concepts for Balance Sheet. [07]  
(B) Enlist International Financial Reporting Standards. [08]

**OR**

Q.2

- (A) Write short note on: General Accounting Principles. [07]  
(B) Briefly describe any two accounting concepts for Profit and Loss Account. [08]

Q.3 Enter the following transactions in the Journal of Smt. Shardadevi for the month of November, 2013: [15]

2013

- Nov -1 She started business with cash Rs.30000.  
" 3 Bought goods of Rs.10000 at 10% Trade Discount from Mr. B.  
" 5 Mr. B paid Rs.5400 on account.  
" 7 Invoiced goods worth Rs.5000 to Mr. C for Rs.4500 for cash and opened a bank account with that amount.  
" 9 Purchased a computer for Rs.35000 from Mr. D.  
" 12 Sold goods Rs.2000 at 10% cash discount.  
" 14 Dispatched goods of Rs.2400 purchased from Mr. B to Mr. E at a profit of 12.5%.  
" 18 Mr. E returned goods of Rs.360 which we returned to Mr. B.  
" 24 Received Rs.1400 by crossed cheque from Mr. E.  
" 31 Paid Rs.1000 for rent and received by cheque for commission Rs.5000.

**OR**

Q.3

(A) Illustrate the following:

1. Error of Principle [04]
2. Contra Entry [03]

(B) Journalise the following transactions and post them to Ledger: [08]

2013

- Feb - 1 Commenced business with cash Rs.50000.  
 " 10 Bought goods for cash Rs.10000.  
 " 15 Sold goods to Mr. A Rs.7500 and paid carriage and cartage Rs.500 on his behalf.  
 " 20 Purchased furniture worth Rs.10000.  
 " 22 Paid for salary Rs.5000 and rent Rs.3000.  
 " 26 Paid for purchase of lap-top for personal use Rs.20000.  
 " 28 Received interest Rs.5000 from Mr. B.

Q.4 The following is the Trial balance extracted from the books of Mr. A [15]  
 as on 31st December, 2012:

Name of the Account	Debit Bal. Rs.	Credit Bal. Rs.
Purchases and Sales	5400	15400
Sales and Purchase Return	200	100
Furniture	600	--
Motor Vehicles	6200	--
Buildings	7500	--
Capital Account	--	12200
Bad debts	100	--
Provision for bad debts	--	200
Debtors and Creditors	3800	2500
Stock on 1.1.2012	3400	--
Bank Overdraft	--	2800
Advertising	400	--
Interest on bank Overdraft	100	--
Commission	--	300
Cash	600	--
Taxes and Insurance	1200	--
Salaries	3300	--
General Expenses	700	--
<b>Total</b>	<b>33500</b>	<b>33500</b>

The following adjustments are to be made :

1. Closing stock was values at Rs.3200.
2. Depreciate Building and Furniture by 5% and 10% respectively.
3. Rs.40 is due for interest on bank overdraft.
4. Salaries Rs.300 and taxes Rs.160 are unpaid.
5. Insurance amounting Rs.60 is prepaid.
6. Write off a further sum of Rs.100 as bad debts and provision for bad debts is to be made for Rs.700.
7. One-third of the commission received is in respect of work to be done next year.

Prepare Trading and Profit and Loss Account for the year ending 31st December, 2012 and Balance Sheet as on that date.

OR

Q.4 The following is the Trial balance of Mr. Ohang as on [15] 30<sup>th</sup> September, 2013:

	Debit Bal. Rs.	Credit Bal. Rs.
Purchases and Sales	8000	20000
Wages and Salaries	2000	--
Return inward and outward	1000	500
Insurance	1000	--
Interest	--	500
Sundry Expenses	500	--
Debtors and Creditors	5000	9000
Miscellaneous Income	--	1000
Advertisement	500	--
Furniture	10000	--
Cash	1000	--
Bad debts	500	--
Bills Payable	--	6000
Machinery	14500	--
Building	10000	--
Drawings and Capital	3000	15000
Bank Balance	--	5000
<b>Total</b>	<b>57000</b>	<b>57000</b>

You are required to prepare a Trading Account and Profit and Loss Account for the year ended 30th September, 2013 and a Balance Sheet as on that date after making the following adjustments:

1. Closing stock on 30th September, 2013 was Rs.5000.
2. Prepaid wages and salaries Rs.500.
3. Unexpired insurance Rs.200.
4. Depreciate Building by 5%, Furniture by 10% and Machinery by 10%
5. Write off Rs.200 of bad debts and provide 10% for doubtful debts on debtors.
6. The Manager is to be paid a commission at 4% on the net profit left after deducting the commission.

