

**SARDAR PATEL UNIVERSITY**  
**FYBBA[Foreign Trade] SEM – I**  
**Accounting for Foreign Trade**  
**UM01CBBF05/04**

Date : 16-03-2017, Thursday  
 TIME : 2 pm to 4 pm

**TOTAL MARKS : 60**

- Q.1 A) Define accounting & explain its classification. 08  
 B) Differentiate Capital Expense & Revenue Expense 07
- OR
- Q.1 A) State the scope of Accounting 10  
 B) State the rules of Debit & Credit of Personal Account, Nominal Account and Real Account with example 05
- Q.2 Journalize following Transaction in the books of Shri Suhrad of July 2016 15

July 1	Commenced business with cash Rs. 50,000
July 2	Goods purchased for cash Rs. 30000
July 3	Paid freight Rs. 2000
July 5	Goods sold to Jay on credit Rs. 13000
July 8	Paid for Stationery Rs. 1000
July 10	Paid for Rent Rs. 5000
July 12	Cash received from Mahant Rs. 15,400. Allowed him discount Rs.600
July 15	Paid premium Rs. 4000
July 18	Paid for postage Rs.100
July 20	Rakesh was declared insolvent. Only 50% amount received from total debt of Rs. 10000.
July 21	Paid for salaries Rs. 8000
July 25	Cash Sales Rs. 21,800
July 28	Paid into bank Rs.20,000
July 30	Withdrawn Rs. 500 from bank for office use.

OR

- Q.2 A) Journalize the transactions given below in the book of Nilkant 10

2014 July 1	Goods of the cost of Rs. 1400 were completely destroyed by fire. The goods were not insured.
July 2	Goods of Rs. 2400 were damaged by fire. The insurance company accepted a claim for Rs. 1600. The goods damaged were sold for Rs.360
July 3	Goods costing Rs. 800 are stolen from godown.
July 4	Goods worth Rs. 400 were distributed free among the poor.
July 7	Goods costing Rs. 960 were distributed free as sample.
July 8	Goods of Rs. 700 were withdrawn for personal use.
July 10	Goods of Rs.480 were soaked by rain and were sold for Rs.260
July 12	Goods of Rs.320 were received as samples.
July 14	Goods of Rs. 250 were received as samples and were sold for Rs.220

- B) Explain various subsidiary books. 05

Q.3 From the following Trial Balance of Anish Sharma, you are required to prepare Trading Account, P & L A/c and Balance sheet for the year ended 31st March 2015 15

Particulars	Rs.	Particulars	Rs.
Sales	3,55,000	Sundry Debtors	30,000
Sales Return	5,000	Rent Received	3,000
Purchases	2,52,000	Discount received	3,000
Return Outward	2,000	Discount allowed	2,000
Carriage outward	1,000	Commission allowed	1,000
Carriage inward	5,000	Taxes & Insurance	3,000
Opening Stock	40,000	Provision for Doubtful debts	2,000
Direct Expense	5,000	Bad debts	1,500
Capital	60,000	Salaries	20,000
Furniture	5,000	Dividend Paid	5,000
Bank Overdraft	10,000	General Expenses	5,000
Buildings	45,000	Rent Paid	3,000
Plant & Machinery	40,000	Bills Receivables	21,500
Sundry creditors	25,000		
Bills Payable	30,000		

Additional Information :

1. Stock at the end Rs.42,000
2. Depreciation on Plant & Machinery Rs.2000 and on Buildings Rs. 1,000
3. Provision for Doubtful debts at 5% on sundry debtors.
4. Outstanding rent Rs.1000
5. Prepaid salaries Rs.1000
6. Interest on capital at 5%

OR

Q.3 The following is the Trial Balance of Nishant Ltd. as on 31<sup>st</sup> March 2015. 15

Particulars	Rs.	Rs.
Op. Stock	75000	
Purchase returns		10000
Purchases & Sales	245000	340000
Wages	30000	
Discount		3000
Carriage Inward	950	
Furniture & Fittings	17000	
Salaries	7500	
Rent	4000	
Sundry Expenses	7050	
Profit & Loss Appropriation A/c, 31-03-2014		15000
Dividend Paid (2013-14)	9000	
Equity Share Capital		100000
Debtors & Creditors	27500	17500
Plant & Machinery	29000	
Cash at bank	46200	
General Reserve		15500
Patents & Trademarks	4800	
Bills Receivables & Bills Payable	5000	7000
	5,08,000	5,08,000

Prepare the final accounts for the year ended 31<sup>st</sup> March 2015 after considering following adjustments :

1. Stock as on 31<sup>st</sup> March 2015 was valued at Rs.88,000
2. Make a provision of Income Tax at 50%
3. Depreciate plant & Machinery at 15%, Furniture at 10% and Patents at 5%
4. On 31<sup>st</sup> March 2015 outstanding rent Rs. 800 while outstanding salaries Rs.900.
5. The directors proposed a dividend at 15% per annum. Transfer the minimum required amount to General Reserve i.e. 5% of Net profit.
6. Make a provision for doubtful debts amounting to Rs. 510.
7. Provide managerial remuneration at 10% of net profit before tax.

Q.4 Lucknow crafts Ltd. incorporated in India with its Head office at Lucknow & branch at Toronto, Canada. Books of the Head office and its independent branch as on 31<sup>st</sup> December 2015 are as follows: 15

Particulars	Head Office (in Rs.)	Branch (In \$)
<b>Debit Balance:</b>		
Fixed assets at cost	4,50,000	9,000
Debtors & cash	17,600	360
Operation costs	1,03,700	2,250
Branch current account	42,600	
	6,13,900	11,610
<b>Credit balances:</b>		
Share capital	2,00,000	
Reserves	1,10,800	
Sales Revenue	1,86,300	4,800
Creditors	9,300	250
Head Office Current A/c		4,200
Accumulated depreciation	1,07,100	2,360
	6,13,900	11,610

The following information is provided regarding exchange rates :

The fixed assets of the branch were required when one U.S.dollar was equal to 10 rupees. The exchange rates on December 2015 were as follows:

1 <sup>st</sup> January	1\$ - 13 Rs.
Average	1\$ - 14 Rs.
31 <sup>st</sup> December	1\$ - 15 Rs.

There are no cash or goods in transit between H.O.and branch at the year end.  
You are required to prepare the final accounts of Lucknow crafts Ltd. after translating the branch balance by the temporal method.

OR

Q.4 A) Narrate vertical format of Balance Sheet as per revised schedule VI

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B) Write a short note on Unclaimed Dividend

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