

SARDAR PATEL UNIVERSITY
B.B.A (FOREIGN TRADE) (I Semester) (NC) Examination
Tuesday, 19th April 2016
2:30 am to 4:30 pm
UM01CBBF05/04 – ACCOUNTING FOR FOREIGN TRADE

Total Marks : 60

- Q.1 A) Define Accounting & State the objectives of Accounting 07
 B) Explain accounting terms: 1. Assets 2. Liabilities 08

OR

- Q.1 A) Conceptually clarify Personal Account, Nominal Account & Real Account. 07
 B) State the rules of Debit & Credit of Personal Account, Nominal Account and Real Account. 08

- Q.2 Journalize following Transaction in the books of Shri Varni 15

- July 1 Started business with cash Rs. 5,00,000
 July 2 Purchased goods of Rs. 50,000
 July 3 Purchased goods of Rs. 1,00,000 from Mr. Shyam for cash
 July 5 Sold goods of Rs.60,000
 July 8 Sold goods of Rs. 1,80,000 to Mr. Ram for Cash
 July 10 Purchased goods of Rs. 1,00,000 from Mr. Madan
 July 12 Sold goods of Rs. 1,25,000 to Mr.Abhi on credit
 July 15 Mr.Abhi returned goods of Rs. 25000
 July 18 Returned goods of Rs. 20,000 to Mr. Madan
 July 21 Paid Rs. 78,800 to Mr. Madan and received discount of Rs. 1200
 July 21 Withdraw for personal use Rs.10000
 July 25 Paid Salary of Rs. 5000 to Mr.Sevak
 July 28 Paid rent of Rs. 5000
 July 30 Interest due on Bank Loan Rs. 120
 July 31 Cash withdrawn from Bank for office use Rs. 350

OR

- Q.2 A) Differentiate Journal & Ledger 08
 B) Explain various Subsidiary books. 07
 Q.3 From the following Trial balance of Shri Parag. Prepare Final account for the year ending 31st March 2015. 15

Particulars	Rs.	Rs.
Sundry Debtors	31000	
Sundry Creditors		21000
Purchases	70000	
Discount	3000	
Capital		125000
Productive Wages	17500	
Sales		135000

Motorcar	5000	
Stock on hand (1-4-2014)	58500	
Salaries	12000	
Travelling Expense	5000	
Carriage Inward	2350	
Insurance	5550	
Commission	1425	
Machinery	45000	
Building	20000	
6% loan (1-7-2014)		38000
Rent & Taxes	6000	
Cash on hand	2500	
Bank Balance	24170	
Repairs	550	
Sundry Expenses	1955	
Interest on 6% loan	1500	
Advertisement Expense	6000	
	319000	319000

Additional Information :

1. Closing Stock is valued at Rs.80000 on 31-03-2015.
2. Depreciate building by 2.5%, Machinery by 5% and Motor by 7.5%. Additional building of Rs.5000 purchased on 1-10-14.
3. Prepaid rent & taxes Rs.400
4. Provide Reserve for discount at 2.5% on debtors & creditors
5. Outstanding Insurance Rs.200
6. Provide Reserve for Bad debts Rs. 1500
7. 60% advertisement expenses is carried forward to next year

OR

Q.3 The following is the Trial Balance of Nakul Ltd. as on 31st March 2014

15

Particulars	Rs.(in '000)	Rs.(in '000)
Op. Stock	7500	
Purchase returns		1000
Purchases & Sales	24500	34000
Wages	3000	
Discount		300
Carriage Inward	95	
Furniture & Fittings	1700	
Salaries	750	
Rent	400	
Sundry Expenses	705	

Profit & Loss Appropriation A/c, 31-03-2013		1635
Dividend Paid (2012-13)	900	
Corporate Dividend Tax	135	
Equity Share Capital		10000
Debtors & Creditors	2750	1750
Plant & Machinery	2900	
Cash at bank	4620	
General Reserve		1550
Patents & Trademarks	480	
Bills Receivables & Bills Payable	500	700
	50935	50935

Prepare the final accounts for the year ended 31st March 2014 after considering following adjustments :

1. Stock as on 31st March 2014 was valued at Rs. 79,24,000.
2. Make a provision of Income Tax at 35%
3. Depreciate plant & Machinery at 15%, Furniture & fittings at 10% and Patents & trademark at 5%
4. Outstanding rent Rs. 80000 while outstanding salaries Rs.65000.
5. Provide a managerial remuneration at 10% of the net profits before tax.
6. The Directors propose a dividend at 15% per annum for the year ended 31st March 2014 after the transfer of 5% to General Reserve.
7. Make a provision for Corporate Dividend tax at 15%

Q.4 JM Co. has head office at Toronto (Canada) and branch at Ahmedabad(India). 15
Ahmedabad branch furnish its trial balance as on 31st March 2010 as below.

Particulars	Amt. (in Rs.'000)	Amt. (in Rs.'000)
Stock on 1 st April 2009	300	
Purchases & Sales	800	1200
Sundry Debtors & creditors	400	300
Bills of Exchange	120	240
Wages and Salaries	560	
Rent, Rates & Taxes	360	
Sundry Charges	160	
Computers	240	
Bank balance	420	
Toronto office A/c		1620
	3360	3360

Additional Information:

1. Computers were acquired from a remittance of canadian\$ 6000 received from Toronto head office and paid to the suppliers. Depreciate computers at 60% for the year.
2. Unsold Stock of Ahmedabad Branch was worth Rs.4,20,000 on 31st Marh 2010.
3. The rate of exchange were as follows :
 - A. On 1.4.2009 Rs.40 per 1 canadian\$
 - B. On 31.3.2010 Rs.42 per 1 canadian\$
 - C. Average exchange rate for the year Rs.41 per 1 canadian\$
4. Conversion in \$ shall be made upto two decimal accuracy
5. Ahmedabd branch account showed a debit balance of canadian\$ 39609.18 on 31-3-2010

Prepare Trading and Profit & Loss account & Balance Sheet of Ahmedabad Branch for the year ended 2010 in the books of Head Office. Also show the converted trial balance.

OR

- Q.4 A) Narrate vertical format of Balance Sheet and mention Note1 Share Capital and Note2 Reserve & Surplus. 10
- B) Write a shot Note on Preliminary Expense. 05

X=X=X