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[25]

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**SARDAR PATEL UNIVERSITY**  
**B.B.A. (General) (I Semester) (NC) Examination**  
**Tuesday, 19<sup>th</sup> April 2016**  
**2:30 am to 4:30 pm**  
**UM01CBBA05 – ACCOUNTING FOR MANAGEMENT**

**Note :**

1. Figures to the right indicate full marks of the questions concerned.
2. Show your workings clearly wherever is needed.
3. Total Marks : 60

Q.1

- (A) Explain the types of accounts and rules for debit and credit with suitable illustrations. [09]
- (B) Explain the following terms : (Any three) [06]
- |             |              |          |
|-------------|--------------|----------|
| 1. Assets   | 2. Creditors | 3. Sales |
| 4. Discount | 5. Profit    | 6. Stock |

**OR**

Q.1

- (A) Define 'Accounting'. Explain the objectives of accounting in modern business. [09]
- (B) Distinguish between : [06]
- Revenue income and Capital income.

Q.2

- (A) Explain the 'Going Concern Concept' and 'Business Entity Concept' with suitable illustrations. [10]
- (B) Write a note on : (Any one) [05]
1. IFRS (International Financial Reporting Standards)
  2. Accounting Standards

**OR**

Q.2

- Write notes on : (Any three) [15]
1. Dual Aspect Concept
  2. Cost Concept
  3. Accounting Period Concept
  4. Money Measurement Concept
  5. Materiality Convention.

Q.3

- Journalise the following transactions in the books of Prakash Traders. [15]

2015

Jan.

1. Started business with Rs.90,000/- Cash, Building Rs.48,000/-, Furniture Rs. 22,000/- and Stock of goods Rs.45,000/-
2. Deposited Rs.15,000/- in Bank of India.
3. Purchased good from Param worth Rs.20,000/- at 5% trade discount.

4. Sold goods to Rajat worth Rs. 28,000/-
5. Appointed Mr. Kapil as an Account in the Office.
9. Cash Sales Rs. 12,000/- Cash Purchases Rs. 7,000/-
16. Paid Rs.18,600/- to Param in full settlement.
19. Purchased stationery of Rs.4,500/-
22. Given loan to Akash Rs.9,500/-
24. Received Rs.27,800/- from Rajat in full settlement.
26. Paid Salary Rs.5,000/- by cheque.
28. Sold goods to Kirti worth Rs.10,000/- for Cash at 5% Cash discount.
30. Paid Son Koran's college fees Rs. 4,800/-

**OR**

Q.3

- (A) Journalise the following transactions in the books of Kamlesh and Post them to ledgers for the month of April, 2015 [10]

2015

April

1. Standard business with RS. 1,20,000/- Cash
4. Sold goods to Ranvir Rs. 20,000/-
9. Purchased goods from Rahil Rs. 12,000/- at 10% trade discount.
14. Withdrawn Rs. 4,000/- for personal use.
18. Sold goods of Rs. 50,000/- at 10% Cash discount.
22. Paid the dues to Rahil & Settled the account.
28. Furniture of Rs. 8,000/- purchased and Cash paid.

- (B) Write a note on : [05]  
'Types of errors'

- Q.4 Following is the Trial Balance of Mr. Vraj as on 31-3-2015 [15]

Debit balances	Rs.	Credit balances	Rs.
Stock (1-4-2014)	45000	Sales	315000
Purchases	250000	Capital	150000
Wages	8000	Sundry Creditors	30000
Salaries	15000	Purchase return	3000
Carriage inward	2000	Interest	5000
Office expenses	3000	Bills Payable	2000
Drawings	10000		
Furniture	18000		
Debtors	40000		
Carriage outward	1500		
Insurance	4000		
Bank charges	2000		
Rent	8000		
Cash at Bank	20000		
Building	70000		
Cash on hand	5000		
Sales return	2000		
	<b>505000</b>		<b>505000</b>

**Adjustments :**

1. Stock on 31-3-2015 Rs.81,000/-
  2. Provide depreciation at 10% on Building and Furniture.
  3. Wages and Salaries are outstanding to the extent of Rs.1200/- and Rs.600/- respectively.
  4. Prepaid Insurance is Rs.750/-
  5. Provide 5% Bad debts on Debtors
- You are required to prepare Final Accounts.

**OR**

Q.4 Following is the Trial Balance of Mr. Rajan as on 31-3-2014

[15]

Debit balances	Rs.	Credit balances	Rs.
Drawings	10000	Capital	100000
Purchases	100000	Sales	200000
Stock (1-4-2014)	12000	Return outward	3000
Land & Building	80000	Bad debts Reserve	1400
Plant & Machinery	60000	10% Loan from Ajay-	
Furniture	20000	(1-7-2014)	52000
Wages	10000	Creditors	24000
Carriage outward	1000	Rent received	1600
Bad debts	1000	Bills payable	2500
Salaries	9000	B.O.D.	1500
Carriage inward	2000	Interest on -	
Debtors	30000	Investments	1100
Bills receivable	8000		
General expenses	4000		
Rent, rates & taxes	2000		
Investments	10000		
Cash balance	10000		
Discount	1100		
Goodwill	12000		
Return inward	5000		
	<b>387100</b>		<b>387100</b>

**Adjustments :**

1. The Closing Stock valued at Rs.20,000/-
  2. Provide depreciation at 5% on Land & Building, at 10% on Plant machinery and Furniture.
  3. Provide 5% Bad debts on debtors
  4. Wages and Salaries are outstanding Rs. 2,000/- and Rs. 3,000/- respectively.
  5. Prepaid rent, rates & taxes Rs. 500/-
- From the above information, you are required to prepare Final Accounts.

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