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SARDAR PATEL UNIVERSITY
B.B.A. (HM) Semester-I Examination (CBCS)
(T.M) (3 Years)

PRINCIPLES AND PRACTICES OF ACCOUNTING (UM01CBBH11) T11

16th March, 2017

Time: 2:00 p.m. to 4:00 p.m.

Total Pages: 02

Total marks: 60

Note: Figures in the bracket to the right indicates marks.

Q-1 Discuss meaning, objectives and scope of accounting. (08)

OR

Q-1 (A) List out all accounting concepts and discuss any two of them. (08)

(B) Explain the types of account with their rules for debit and credit. (07)

Q-2 (A) Write notes on: (1) Sales Book, (2) Purchase Book, (3) Cash Book (08)

(B) Journalize the following transactions in the books of Kanha for the month of July 2016. (07)

Date

- 1-7-2016 Kanha commenced business with Cash Rs. 2,00,000, Building Rs. 80,000 and Goods Rs. 1,20,000.
- 8-7-2016 He Deposited Rs. 50,000 in to Bank to open an Account.
- 13-7-2016 Purchased goods of Rs. 1,00,000 with 5% Trade Discount and 2% Cash Discount and paid by Cash.
- 18-7-2016 Purchased Furniture of Rs. 10,000 for office and paid by cheque.
- 20-7-2016 Purchased goods of Rs. 30,000 from Radha.
- 25-7-2016 Sold goods of Rs. 70,000 for Cash.
- 29-7-2016 Sold goods of Rs. 40,000 to Meera.
- 29-7-2016 Received rent Rs. 500
- 30-7-2016 Paid Rs. 3,000 for commission and Rs. 2,000 for salary.

OR

Q-2 Mayank started business from September 2016. Following are the transaction related to her business. Prepare Journal and Ledgers and prepare trial balance. (15)

- 1) Started business with Rs. 80,000 cash and Rs. 20,000 Bank balance.
- 2) Purchased goods of Rs. 80,000 with 10% Trade Discount from Neha.
- 3) Sold goods of Rs.40,000 with 5% cash discount.
- 4) Purchased goods of Rs. 25,000 and paid cash.
- 5) Purchased furniture of Rs. 12,000 for office and paid by cheque.
- 6) Sold goods of Rs.20,000 to Ankita on 10% trade discount.
- 7) Paid wages Rs. 500
- 8) Received commission Rs. 300

Q-3 What is depreciation? Discuss the causes and methods of depreciation. (05)

OR

Q-3 Geeta Manufacturing Company purchased on 1st April 2013, Plant for Rs.14,50,000 and spent Rs.50,000 on its installation. After having used it for three years it was sold for Rs.10,00,000. Depreciation is to be provided every year at the rate of 10% per annum on the Straight Line Method. You are required to: (15)

- 1) Show necessary calculation
- 2) Pass necessary journal entries
- 3) Prepare Machinery Account and Depreciation Account
- 4) Show how it will appear in the Balance sheet after two year as on 31st March 2015.

Q-4

The following are the balances extracted from the books of Mrs. Neha as on 31st March, 2016.

(15)

| Debit Balances | Rs. | Credit Balances | Rs. |
|-------------------------|-----------------|-------------------|-----------------|
| Stock (1-4-2015) | 40,000 | Capital | 30,650 |
| Drawings | 6,250 | Sales | 1,90,000 |
| Building | 9,000 | Purchase return | 1,000 |
| Furniture and Fittings | 2,000 | Discount received | 150 |
| Purchase | 1,37,600 | Commission | 900 |
| Wages | 4,000 | Bills payables | 700 |
| Carriage inward | 2,250 | Creditors | 4,000 |
| Sales return | 1,850 | | |
| Discount | 100 | | |
| Salary | 7,500 | | |
| Advertisement expenses | 1,250 | | |
| Rent and taxes | 1,000 | | |
| General expenses | 750 | | |
| Stationery and printing | 450 | | |
| Cash on hand | 50 | | |
| Bills receivables | 1,000 | | |
| Debtors | 10,000 | | |
| Bank Balance | 2,350 | | |
| | 2,27,400 | | 2,27,400 |

Additional:

- 1) Value of closing stock as on 31st March 2016 was Rs. 2,500
- 2) Depreciate building by 10% and Furniture and fittings by 5%
- 3) Outstanding salary Rs. 100 and prepaid rent and taxes Rs. 100.
- 4) Provide 10% for bad debt reserve.
- 5) Commission accrued but not received Rs. 50.

OR

Q-4

Prepare a Balance Sheet for Joint Stock Company in horizontal format with imaginary figures. (with minimum 30 items in format)

(15)

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