

(89 &amp; 91)

SEAT No. \_\_\_\_\_

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**SARDAR PATEL UNIVERSITY**

F.Y.B.B.A. (HM/TTM) Honors (3 years) Examination, Semester – I

Monday, 13<sup>th</sup> November 2017; Time: 2:00 PM TO 4:00 PM**PRINCIPLES AND PRACTICES OF ACCOUNTING (UM01CBBH11/T11)****Note: Figures in the bracket to the right indicates marks.****Total Marks: 60**

Q-1 (A) Define Accounting and discuss its objectives. (06)

(B) Write note on: (09)

1) Personal Account 2) Real Account 3) Nominal Accounts

**OR**

Q-1 (A) Explain the following terms: (07)

1) Assets and Liabilities

2) Economic and Non-Economic transaction

3) Revenue Expense and Capital expenditure

(B) Explain following accounting concepts/assumptions. (ANY TWO) (08)

1) Going Concern Concept

2) Accounting Period Concept

3) Consistency

Q-2 (A) Give the pro-forma of Purchase book and Sales book. (06)

(B) Journalize the following transactions in the Books of Mr. Patel for the month of October 2017. (09)

1-10-2017 Mr. Patel Commenced business with Rs. 5,00,000 cash and Furniture of Rs. 2,00,000.

7-10-2017 He Deposited Rs. 4,00,000 in a bank.

9-10-2017 Purchased goods of Rs. 3,00,000 at 10% trade discount and paid by cheque.

12-10-2017 Sold goods of Rs. 1,00,000 with 10% Trade Discount to Mr. Mehta.

15-10-2017 Received cash from Mr. Mehta Rs. 90,000

19-10-2017 Sold goods Rs. 1,20,000 for cash.

21-10-2017 Paid wages Rs. 500

25-10-2017 Received Interest Rs. 1000

30-10-2017 Paid Salary Rs. 8,000

**OR**Q-2 Following are the transaction of Mr. Ram for the month of October 2017. Journalize it (15)  
in the books of Mr. Ram, post it in to ledgers and prepare trial balance.

1-10-2017 Started business with Rs. 10,00,000 cash.

4-10-2017 Purchased goods of Rs. 8,00,000 for with 10% trade discount.

7-10-2017 Sold goods of Rs. 5,00,000 for cash.

9-10-2017 Purchased furniture of Rs. 50,000 for office and paid cash.

10-10-2017 Sold goods of Rs. 1,00,000 to Mr. Krishna.

12-10-2017 Received commission Rs. 2000.

18-10-2017 Sold goods of Rs. 1,00,000 to Mr. Patel on credit.

22-10-2017 Paid Rent Rs. 1,000 and Rs. 5,000 salary.

Q-3

Write note on following.

- 1) Straight Line Method of Depreciation
- 2) Causes of Depreciation
- 3) Reducing Balance Method of Depreciation

(15)

OR

Q-3

Mehta Brothers purchased a Machinery on 1-4-2016 for Rs.4,00,000. The estimated useful life of the machinery is 7 years. Scrap Value of machinery is estimated to Rs. 50,000. Accounts are closed on 31st March every year. Prepare Machinery Account and Depreciation Account for three years and show how machinery will appear in the balance sheet on 31<sup>st</sup> March 2018.

(15)

Q-4

From the Trial Balance of Mr. Mehra as on 31<sup>st</sup> March, 2017 prepare Final accounts.

(15)

Particulars	Debit Balances (Rs.)	Credit Balances (Rs.)
Capital		3,00,000
Drawings	20,000	
Opening Stock (1.4.2016)	32,000	
Purchases	2,58,000	
Purchase Return	8,000	
Sales		5,30,000
Sales Returns	7,000	
Wages	10,000	
Carriage Inward	5,000	
Land & Buildings	3,00,000	
Plant & Machinery	2,50,000	
Furniture	60,000	
Sundry Debtors	20,500	
Salaries	90,000	
Selling Expenses	6,000	
Postage and Telegram	1,000	
Advertisement expense	12,000	
Carriage outwards	18,000	
Bad debts	2,500	
Interest received		5,000
Bills Payable		10,000
Creditors		1,16,000
Bank overdraft		14,000
Bank loan		1,25,000
	11,00,000	11,00,000

Adjustments:

1. Closing Stock on 31.03.2017 Rs.82,000.
2. Provide Rs. 500 for Bad debt reserve from debtors.
3. Outstanding Salaries amounts to Rs. 10,000.
4. Provide 5% Depreciation on Land & Building and 10% on Plant and Machinery and 10% on Furniture.
5. Interest accrued but not received Rs. 1000.

OR

Q-4

Following is the Trial Balance of Kaveri Limited as on 31-3-2017, you are required to (15) prepare Trading Account, Profit and Loss Account for the year ended 31<sup>st</sup> March, 2017 and Balance Sheet as on that date.

**Trial Balance as on 31.03.2017**

Debit Balances	Amount (Rs.)	Credit Balances	Amount (Rs.)
Building	4,00,000	Equity Share Capital	5,00,000
Plant and Machinery	1,20,000	(Each of Rs. 10)	
Purchases	6,50,000	Sales	8,14,000
Carriage Inward	7,000	Sundry creditors	1,80,000
Opening Stock	90,000	Bank overdraft	70,000
Octroi	35,000	Debenture	1,00,000
Sundry debtors	1,50,000	General Reserve	50,000
Salaries	28,000	Profit & Loss A/c	36,000
Postage and telegram	4,000		
Insurance	5,000		
Bad debts	3,000		
Rent	4,000		
Discount	3,000		
Calls in Arrears	15,000		
Investment	1,50,000		
Goodwill	86,000		
	<b>17,50,000</b>		<b>17,50,000</b>

**Adjustments:**

1. Stock on hand on 31<sup>st</sup> March, 2017 was valued at Rs. 1,10,000.
2. Depreciate plant and machinery at 10% p.a.
3. Create reserve for doubtful debts at 5% on sundry debtors.
4. Salaries include Rs. 2500 as advance to workers.
5. Company has declared 5% dividend to equity share holders.
6. Make Provision of Rs. 5,000 for General Reserve and 10,000 for Income Tax.

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(3)