

SARDAR PATEL UNIVERSITY
B.B.A (ISM) (I Semester) (NC) Examination
Tuesday, 19th April 2016
2:30 am to 4:30 pm
UM01CBBS05 – ACCOUNTING FOR MANAGEMENT

Total Marks : 60

Note: Figures to the right indicate full marks.

- Q.1 (A) What do you mean by Accounting? Explain the Areas of Accounting in detail. (10)
 (B) Explain Objectives of Accounting in brief. (05)

OR

- Q.1 (A) Define the following terms of Accounting: (10)
 (1) Creditors (2) Liabilities (3) Voucher
 (4) Discount (5) Sales
 (B) Differentiate between Capital Expenditure and Revenue Expenditure. (05)

- Q.2 (A) Explain the following Accounting Concepts and Conventions: (10)
 (1) Going Concern Concept (3) Periodicity Concept
 (2) Conservatism (4) Materiality

- (B) What do you mean by International Financial Reporting Standards? Discuss need of International Financial Reporting Standard in details. (05)

OR

- Q.2 (A) What do you mean by Accounting standards? Discuss need of Accounting Standard in detail. (10)
 (B) List out any ten Accounting Standards issued in India. (05)

- Q.3 (A) What is book of Original Entry? Discuss its Importance in detail. (10)
 (B) Write a Note on: Errors affecting the Trial Balance. (05)

OR

- Q.3 Journalise the following transactions and post them in to the ledger of Shri. Mahendra 2015, September (15)

- 1 Start business with cash Rs.200000, stock Rs.100000, and furniture of Rs.50000.
- 5 Purchase Goods of Rs.25000 for cash from Raina Brothers.
- 7 Sold Goods costing Rs.20000 to Rohit, 50% of amount is received at the time of sale.
- 10 Purchased a Furniture Rs.2800.
- 15 Paid rent Rs.2000 and salary Rs.10000 to the accountant Virat.
- 16 Received Commission Rs.1500 from Laxman

Q.4 From the following trial Balance of Shri Hansa Joshi, prepare Trading and profit and loss

(15)

Account for the year ending 31st March, 2015 and Balance Sheet as on that Date:

Trial Balance

Names of the Account	Debit Rs.	Credit Rs.
Opening Stock (1-4-2014)	17,000	
Purchases	96,100	
Wages	7,400	
Carriage Inward	5,400	
Carriage Outward	2,000	
Salary	6,000	
Buildings	80,000	
Furniture	4,600	
Depreciation on Furniture	500	
Debtors	81,000	
Insurance Premium	1,600	
Printing and Stationery	2,500	
Sundry Expenses	4,400	
Repairs	1,000	
Cash on Hand	12,500	
Drawings	8,000	
Capital		1,00,000
Creditors		55,600
Sales		1,72,000
Rent		2,400
	3,30,000	3,30,000

Adjustments:

- (1) Closing Stock was Valued at Rs. 7,600.
- (2) Rs. 1,200 was outstanding for Salaries.
- (3) Depreciate Building by 5 %.
- (4) Insurance paid in Advance Rs.100.
- (5) Building rent was received in advance was Rs.300.
- (6) Credit Purchase of Rs.700 was not recorded in the books of Account

OR

Q.4 from the following Trial balance of Shri Girish as on 31st December 2014, prepare Trading (15)

Account and Profit and Loss Account for the year ended on 31st December 2014 and Balance Sheet as on that date:

Trial Balance

Names of the Account	Debit Rs.	Credit Rs.
Capital		80,000
Drawing	6,000	
Plant and Machinery (as on 1 st January 2014)	20,000	
Plant and Machinery (Addition on 1 st July 2014)	5,000	
Stock (1 st January)	15,000	
Purchases	82,000	
Returns Inward	2,000	
Sundry Debtors	20,600	
Furniture and Fixtures	5,000	
Freight and Duty	2,000	

Carriage Outward	500	
Rent ,Rates and Taxes	4, 600	
Printing and Stationery	800	
Trade Expenses	400	
Sundry Creditors		10,000
Sales		1, 20,000
Return Outward		1,000
Postage and Telegraphs	800	
Provision for Doubtful Debts		400
Discount		800
Rent of Premises (Sublet for year up to 30 th June2015)		1,200
Insurance	700	
Salaries and Wages	21,300	
Cash on Hand	6, 200	
Cash at Bank	20,500	
	2,13,400	2,13,400

Adjustments:

- (1) Stock as on 31st December 2014 is valued at Rs.14, 000.
- (2) Write Off Bad Debts Rs.600.
- (3) The provisions for doubtful debts is to be maintained at 5% on Debtors.
- (4) Create a provision for discount on Debtors and discount creditors at 2%.
- (5) Depreciate Furniture at 55 and Plant and Machinery at 20% per annum.
- (6) Insurance prepaid Rs.100.
- (7) A fire occurred on 25th December 2014, in the godown and stock of the value Rs.5,000 was Destroyed. It was fully insured and the Insurance Company admitted the claim in full.

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