

SARDAR PATEL UNIVERSITY
B.B.A. (ITM) SEMESTER: I (NC) EXAMINATION (3 YEARS)
2017
Thursday, 16th March
02:00 P.M. To 04:00 P.M.
UM01CBB10: ACCOUNTING FOR MANAGEMENT

Total Marks: 60**Note:** 1. Figure to the right indicate full marks of question.

2. All questions carry equal marks.

3. Working notes are the part of answer.

Q-1 Define the term accounting and explain its advantages and limitation of accounting [15]

OR

Q-1 (A) State types of account and explain it with rules of debit and credit. [10]

(B) Difference between capital expenditure and revenue expenses. [05]

Q-2 Journalise the following transactions; post the same in relevant ledger account and prepare trial Balance in the books of Shri R.M. Patel For October, 2016: [15]

1. Start business with: Cash Rs.10,00,000, Stock Rs. 5,00,000 and Furniture Rs. 1,10,000.
2. Open Bank account by depositing Rs. 2,00,000.
3. Purchased goods for Rs 25000 @ 10% trade discount from Sanjay.
4. Sold goods of Rs 60,000 @ 5% trade discount and at 10% cash discount to Purani.
5. Machinery was purchased of Rs 50,000 and paid by cheque, the installation charges of Rs 11,000 paid in cash.
6. Purani declared insolvent and 50 paise per rupee received as final dividend.
7. Paid fire insurance premium Rs. 200 by cheque.

OR

Q-2 (A) Write journal entries from the following information provided by Shri R P Patel: [07]

1. R P Patel started business with a capital of Rs 10,000.
2. He purchased goods from Mohan on credit Rs 2,000.
3. He paid cash to Mohan Rs 1,000.
4. He sold goods to Suresh Rs 2,000.
5. He received cash from Suresh Rs 3,000.
6. He further purchased goods from Mohan Rs 2,000.
7. He paid cash to Mohan Rs 1,000.

(B) Explain the types of errors affecting and not affecting trial balance. [08]

Q-3 From the following Trial Balance of Radhe Shyam Trading and Profit and Loss A/c for the year ending 31st December, 2016 and Balance Sheet as on that date. The Closing Stock on 31st December, 2016 was valued at Rs. 2,50,000. [15]

Debit Balances	(Rs.)	Credit Balance	(Rs.)
Stock (1-1-2016)	2,00,000	Sundry Creditors	1,50,000
Purchases	7,50,000	Purchases Return	30,000

Sales Return	80,000	Sales	25,00,000
Freight and Carriage	75,000	Commission	33,000
Wages	3,65,000	Capital	17,00,000
Salaries	1,20,000	Interest on Bank Deposit	20,000
Repairs	12,000	B/P	62,000
Trade Expenses	40,000		
Rent and Taxes	2,40,000		
Cash in Hand	57,000		
B/R	40,000		
debtors	5,50,000		
Plant and Machinery	16,00,000		
Withdrawals (Drawings)	1,66,000		
Bank Deposit	2,00,000		
	44,95,000		44,95,000

OR

Q-3

From the following balances prepare Final Accounts as on 31st December, 2016

[15]

Particulars	Rs.	Particulars	Rs.
Opening Stock	1,53,100	Capital	25,00,000
Purchase	8,24,000	Drawings	4,80,000
Sales	25,60,000	Sundry Debtors	5,70,000
Returns (Dr.)	40,000	Sundry Creditors	1,40,000
Returns (Cr.)	24,000	Depreciation	42,000
Factory Rent	1,80,000	Charity	5,000
Custom Duty	1,15,000	Cash Balance	44,600
Coal, Gas and Power	60,000	Bank Balance	40,000
Wages & Salary	3,66,000	Bank Charges	1,800
Discount (Dr.)	75,000	Establishment Expenses	36,000
Commission (Cr.)	12,000	Plant	4,20,000
Bad-Debts	58,500	Leasehold Building	15,00,000
Bad-Debts Recovered	20,000	Goodwill	2,00,000
Apprentice Premium	48,000	Patents	1,00,000
Productive Expenses	26,000	Trade Marks	50,000
Unproductive Expenses	50,000	Loan Cr.	2,50,000
Carriage	87,000	Interest on Loan	30,000

The value of Closing Stock on 31st December, 2016 was Rs. 2,54,000.

Q-4 (A) Alpesh limited issued 1000 equity shares of Rs.100 each at a premium of Rs.20 per share. The share capital was to be collected as follows: [10]

- On applications Rs.15
 On allotment Rs.55 (including premium)
 On first call Rs.25
 On final call Rs.25

Company received 1200 share application money and excess applications were rejected. Shri A who allotted 200 shares failed to pay the final call. Draft necessary journal entries to record the above transaction.

(B) Write a note on over and under subscriptions of shares.

[05]

OR

Q-4 Venus Limited issued 20000 Equity Shares of RS. 10 each payable as under: [15]

On Application Rs.2 per share, On Allotment Rs.3 per share, On First Call Rs.2.50 per share, On Final Call Rs.2.50 per share.

Applications were received for 30000 shares and allotment made pro-rata to the applications of 24000 shares and the remaining applications were refused and the amount was refunded. All the moneys due were received except that the shareholder Mr. PAPPU to whom 2000 shares were allotted failed to pay the first and final call money. Pass journal entries & Prepare Calls-in-Arrears Account.

ALL THE BEST

