

SARDAR PATEL UNIVERSITY

F.Y.B.B.A. (ITM) (SEMESTER: I) (NC) EXAMINATION (4 YEARS)

2017

Monday, 13th November

02:00 P.M. To 04:00 P.M.

UM01CBB105: ACCOUNTING FOR MANAGEMENT

Total Marks: 60

Note: 1. Figures to the right indicate full marks of question.

2. All questions carry equal marks.

3. Working notes are the part of answer.

- Q-1 (A) List out types of account with at least four examples of each and describe its rules of debit and credit with illustration. [10]
- (B) Difference between reserves and provisions. [05]

OR

- Q-1 Explain following accounting terms with relevant example: [15]
1. Capital
 2. Assets
 3. Capital expenditure
 4. Debtors
 5. Transactions

- Q-2 (A) Describe the following accounting concepts: [10]
1. Matching Concept
 2. Accounting Period Concept
- (B) What is IFRS? List out standards issued by IFRS till date. [05]

OR

- Q-2 Write detail note on: [15]
1. Cost Concept
 2. Convention of conservatism
 3. $A=C+L$ (Dual Aspect)

- Q-3 (A) Journalise the following transactions; post the same in relevant ledger account in the books of Sunny for June, 2017: [10]
1. Commenced business with Cash Rs.1,50,000, Stock Rs. 1,00,000 and Building Rs. 11,00,000 and Furniture of Rs. 2,00,000
 2. Deposited Rs. 50,000 in Bank.
 3. Purchased goods worth Rs. 40,000 from Mr. Jimit at 10% trade discount.
 4. Sold goods of Rs 16,000 to Mr. Lakhan on cash.
 5. Goods for Rs. 10,000 burnt in fire and insurance company accepted claim of Rs. 8,000.

- (B) Explain only five errors affecting trial balance. [05]

OR

- Q-3 (A) The following are the transactions of RAM for the month of January. Journalise these transactions. [15]

2017 January

1. Cash brought in business Rs. 3,00,000.
2. Bought Stationery for cash Rs. 400.
3. Bought Goods for cash Rs. 25,000.
4. Sold Goods for Cash Rs. 10,000.
5. Bought Office Furniture from Mahendra Brothers Rs. 40,000.
6. Sold goods to Jacob Rs. 12,000 at 10% Trade Discount and 10% Cash Discount.
7. Received cheque from Jacob of Rs.10,700 in full settlement.
8. Paid Mahendra Bros. by cheque Rs. 40,000
9. Sold goods to Ramesh & Co Rs. 5,000.
10. Paid tuition fee of his son Rs. 1000 from business.
11. Bought Goods for cash from S.Narain & Co Rs. 22,000.
12. Withdrawn from bank for office use Rs. 2,500.
13. Purchase 100 Shares of DN Limited at Rs.100 each by giving cheque.
14. Goods worth Rs. 1200 distributed as free sample.

Q-4

From the following trial balance and additional information of Mr. Gaurang, prepare [15]
a trading and profit and loss account for the year ended 31 March 2017 and a
balance sheet as at the same date.

Trial balance as on 31 March 2017:

Particulars	Dr (Rs.)	Cr (Rs.)
Purchase and sales	1,33,470	1,88,000
Stock on 01-04-2016	30,000	---
Trade Expenses	4,170	---
Salaries	18,570	---
Discount	1,420	2,740
Rent	3,000	---
Carriage Inward	4,200	---
Bills Payable	---	6,880
debtors and creditors	32,000	30,940
Bad Debt and Bad debt Reserve	2,700	1,440
Cash in hand	1,080	---
Cash at bank	14,480	---
Furniture & fittings	9,000	---
Drawings and Capital	12,000	1,20,000
Leasehold building	72,000	---
Bank Charges	50	---
10% depreciation on fixed assets	9,000	---
Travelling Expenses	2,860	---
	3,50,000	3,50,000

Additional Information:

1. Stock on 31-03-17 was valued Rs.39670.
2. Advanced Salary paid to staff Rs.250 included in salary.
3. Outstanding Rent Rs.500
4. Make provision of Bad debt reserves on debtors @ 10%.

OR

Q-4

The following trial balance is extracted from the book of Sachin a sole trader, at the close of business on 31st March 2017: [15]

Particulars	Dr (Rs.)	Cr (Rs.)
Furniture	640	---
Motor Vehicles	6,250	---
Building	7,500	---
Capital Account	---	12,500
Bad debt and Provision of Bad debt	125	200
Debtors and Creditors	3,800	2,500
Stock (01-04-2016)	3,460	---
Purchases and Sales	5,475	15,450
Bank Overdraft	---	2,850
Sales Return and Purchase Return	200	125
Advertising	450	---
Interest on Bank Overdraft	118	---
Commission	---	375
Cash	650	---
Taxes and Insurance	1,250	---
General Expenses	782	---
Salaries	3,300	---
	34,000	34,000

Additional notes:

- Stock as at 31 March 2017 was Rs.3,250
- Depreciate building at the rate of 5%, Furniture @10% and Motor Vehicles @20%.
- Rs. 85 is due for interest on bank overdraft.
- Outstanding salaries Rs. 300.
- Insurance amounting to Rs. 100 is prepaid.
- Write off Rs. 100 as bad debt.

Required:

Prepare a trading and profit and loss account for the year ended 31st March 2017, together with a balance sheet as at that date.

ALL THE BEST

— X —
(3)