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[27 & 29]

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SARDAR PATEL UNIVERSITY
B.B.A (HONOURS) (HM & TTM) (I Semester) (NC) Examination

Tuesday, 19th April 2016

2:30 am to 4:30 pm

**UM01CBBH05/T05– Accounting for Hospitality and
 Tourism and Travel Management**

Total Marks : 60

Note: (1) Figure in the right indicates marks.

(2) Working notes should be part of your answer.

Q-1

(a) Define accounting and discuss its characteristics. [06]

(b) State the following statements are true or false: [05]

- (i) Trade discount is not recorded in the books of account.
- (ii) Drawings account has a credit balance.
- (iii) Journal is a principal book of accounts.
- (iv) Trial balance is an Account.
- (v) Purchase Book is not a subsidiary book.

(c) Differentiate Capital Income from Revenue Income. [04]

OR

Q-1

(a) Discuss the following accounting principles: [06]

- (i) Dual aspect Concept (ii) Going Concern Concept
- (ii) Accounting Period Concept

(b) Classify the following accounts as Personal, Real or Nominal: [05]

Drawings	Salary	Wages	Closing stock
Plant & Machinery		Bank loan	Loss by theft
Prepaid Interest	Goodwill	Amul Dairy	

(c) Explain the following terms: [04]

- (i) Capital (ii) Insolvent (iii) Goods (iv) Fixed Assets

Q-2

(a) Write notes on the following: [06]

- (i) Purchase Book (ii) Sales Book

(b) Prepare a Trial Balance of Mr.SRT as on 31st March,2012 form the following [09]
 accounts

Capital	24,000	Drawings	1,000
Loan taken	600	Provident fund	500
Provident fund contribution	160	Discount allowed	200
Discount received	140	Purchase	14,000

Sales	18,400	Purchase return	700
Sales return	1,100	Furniture	900
Stationery	200	Advertisement Exp.	240
Arjun (Cr.)	520	Bank	7,000
Cash	2,400	Stock of goods	10,000
Rent	300	Interest received	100
Raj Aryan (Cr.)	1,000	Nima Parikh(Dr.)	6,220
Salary	400	Travelling expenses	240
Railway Freight	1,600		

OR

Q-2 Journalise the following transactions in the books of Mr.Nishith Dave for Oct., 2012 and prepare Cash Account. [15]

Oct-1 Nishith has started business with cash ₹ 2,00,000, furniture of ₹ 50,000 and Stock of goods ₹ 50,000.

Oct -3 A loan of ₹ 30,000 at 8% rate was taken from Himanshu.

Oct -5 Opened a bank account and paid ₹ 10,000 in it.

Oct -7 Purchased goods of ₹30,000 at 10% TD and 5% CD.

Oct -10 Sold goods of ₹ 20,000 at 10% TD to Ashish.

Oct -14 Purchased a computer of ₹ 30,000 and paid the amount by cheque.

Oct -18 Commission of ₹ 12,000 was received by cheque.

Oct-20 Rs. 6,000 due from Sailesh was written off as bad debts as he was declared insolvent.

Oct-21 Paid salary to accountant Rs.5,000.

Oct- 22 Purchased goods from Parth of Rs.14,000.

Oct-24 Goods of Rs.6,000 were returned by Asha.

Q-3

(a) Write short notes on the following: [06]

(i) Depreciation Fund Method (ii) Reducing Balance Method

(b) Sahara Co. Ltd. purchased a machinery of Rs.2,00,000 on 1/1/ '04 and it was decided to write off depreciation by SLM by charging Rs.20,000 a year. After writing off depreciation for two years, it was decided to change the system to that of RBM method at 20 % by writing off its difference to P & L A/c of the third year. [09]

Prepare Machinery A/c for five years.

OR

Q-3

(a) What is Depreciation? Discuss the causes of depreciation. [06]

(b) A company purchased a machine on 1st Jan., 2009 for Rs.38,000 and paid amount by cheque. Installation charges incurred were Rs.2,000 and were paid in cash. The useful life of machine is estimated to be 10 years and its scrap value is estimated at Rs.4,000. Accounts are closed on 31st December every year. [09]

Prepare Machinery A/c and Depreciation A/c for first three years and also give journal entries at the end of the first year.

- Q-4** From the following Trial Balance of Mr. Shilen Tanna for the year ending on 31/3/12, and additional information given, prepare Trading and Profit & Loss A/c for the year ended 31st March, 12 and Balance sheet as at that date: [15]

Trial Balance

Particulars	Debit Rs.	Credit Rs.
Opening stock	1,00,000	----
Capital	----	9,00,000
Debtors and Creditors	1,20,000	70,000
Purchase and Sales	8,00,000	14,00,000
Return	30,000	20,000
Carriage Inward	16,000	----
Wages and salaries	50,000	----
Commission	----	26,000
Machinery	1,60,000	----
Furniture	40,000	----
Bad debts	16,000	----
Provision for doubtful debts	-----	20,000
Bills Receivables and Bills Payables	60,000	14,000
Taxes and Insurance	34,000	----
Land and Building	8,00,000	----
Discount allowed	24,000	----
Bank	1,00,000	-----
Drawings	1,00,000	-----
	24,50,000	24,50,000

Additional Information:

- Value of closing stock as on 31/3/12 is Rs.80,000.
- Insurance prepaid is Rs.4,000. Wages and salaries outstanding is Rs.2,000.
- Provide for doubtful debts on the debtors @ 10%.
- Depreciate Machinery and Furniture @ 10% and @15% respectively.
- Goods of the value of Rs.10,000 were taken by the proprietor for his own use but no entry was made in the books of accounts.

OR

- Q-4** Following is the Trial Balance of Sachin Ltd. as on 31/3/ '12. [15]

Debit Balance	Amt. Rs.	Credit Balance	Amt. Rs.
Land & Building	3,00,000	10% Debentures	2,00,000
Salary	24,000	General reserve	80,000
Debtors	1,60,000	Equity share capital	
Debenture Discount	10,000	(each of Rs.10)	4,00,000
Prepaid income tax	50,000	Capital reserve	14,000
Rent, rate and insurance	60,000	Fixed deposits	60,000
Plant & Machinery	5,00,000	Bank Loan (secured by stock)	20,000
Loose Tools	20,000	Bank Overdraft	70,000
Equity shares of Dhoni Ltd.	30,000	Creditors	1,20,000
Cash and Bank	55,000	P & L A/c (1/4/ '11)	1,60,000
		Provident fund	24,000

Audit fees	5,000	Development reserve	10,000
Custom deposits	10,000	Unclaimed dividend	30,000
Bills receivables	40,000	Bills Payable	40,000
Goodwill	1,10,000	Share forfeiture	50,000
Directors fees	30,000	Interest and Dividend	16,000
Debenture interest	10,000	Unpaid salary	6,000
Calls in arrears	36,000	Gross Profit	2,00,000
Stock (31/3/ '12)	50,000		
	15,00,000		15,00,000

Adjustments:

- (1) Debtors include Rs.20,000 for more than 6 months.
 - (2) Provide depreciation on Land & Building @ 5% and Plant & Machinery at 2%
 - (3) Provision for taxation is to be made Rs.20,000 for current year.
 - (4) Directors have proposed dividend at 10% after transferring Rs.20,000 to general reserve.
 - (5) Write off 20% Debenture Discount.
- Prepare final accounts of the company.

X' = X - X