

Integ BBA+MBA FS Sem.-1 Examination

DSC-C-FS-112T

Accounting for Mgmt

January-2024

Time : 2-00 Hours]

[Max. Marks : 50

Instructions:

1. Figures to the right indicates full marks
2. Show necessary calculations as a part of your answer.

Question 1-(A) Define Accounting and state its advantages and limitations. (10 MARKS)

Question 1-(B) (10 MARKS)

For the following transaction show effect on accounting equation $A=C+L$.

1. Introduced Rs. 9,00,000 as cash and Rs. 60,000 by stock.
2. Deposited Rs. 7,00,000 into the bank
3. Purchased goods worth Rs. 90,000 for cash and for Rs. 40,000 in credit from Isha.
4. Goods amounting to Rs. 50,000 were sold for Rs. 70,000 on cash basis.
5. Paid Rs. 7,000 for stationery.
6. Drew cash Rs. 7,000 and goods of Rs. 4,000 for personal use.
7. Rent of Rs. 8,000 paid by cheque.

OR

Question 1-(A) Define the following terms.(Any Five)

1. Credit sales
2. Revenue Receipt
3. Bad Debt return
4. Cash Discount
5. Drawings
6. Fixed Asset
7. Internal Liability
8. Bills Receivable

Question 1-(B) Write journal entries in the books of Vina for October 2023

1. Vina has commenced a business with cash of Rs. 4,00,000, furniture of Rs. 70,000, receivable from Jashoda Rs. 60,000.
2. Opened a bank account by depositing Rs. 60,000.
3. Purchased goods of Rs. 80,000 from Mehul stores at 12% trade discount and 3% cash discount if the payment is made within 10 days.
4. Half of the goods purchased from Mehul stores, were sold to Shivanya stores at price so as to receive 25% profit on its cost price.
5. Half the amount is paid in cash to Mehul stores.
6. A machine of Rs. 50,000 is purchased from Keyur traders & paid installation charge of Rs. 5,000 for the same.

7. Purchased stationery of Rs, 4,000.

(10 MARKS)

Question 2-(A)

Explain the difference between straight line method and diminishing balance method of depreciation.

(10 MARKS)

Question 2-(B)

On 1st April, 2020, Pratham Ltd. Purchased machinery for ₹ 1,50,000 and on 30th September, 2021, it acquired additional machinery at a cost of ₹ 50,000. On 30th June, 2022, one of the original machines which had cost ₹ 10,000 was found to have become obsolete and was sold as scrap for ₹ 500. It was replaced on that date by a new machine costing ₹ 6000. Depreciation is to be provided @15% p.a. on the written down value. Accounts are closed on 31st march every year. Show the Machinery Account for the first three years.

OR

Question 2 - Prepare final accounts of "Nakshi Traders" from the following Trial Balance as on 31-03-2021 and adjustments. (20 MARKS)

Trial Balance of "Nakshi Traders" as on 31-03-2021

Name of Account	Debit Balance (₹)	Credit Balance (₹)
Capital	-	7,00,000
Drawings	52,000	-
Land & Building	5,00,000	-
Machinery	3,50,000	-
Furniture and fixtures	65,000	-
Leasehold Building (Dt. 1-04-2020 for five years)	1,20,000	-
Sales	-	13,00,000
Purchase Returns	-	30,000
Debtors	2,30,000	-
12 % Loan from Tirth (Dt. 1-10-2020)	-	70,000
Purchase	5,00,000	-
Sales returns	25,000	-
Freight	35,000	-
Sundry expenses	2000	-
Stationery -printing	6,300	-
Insurance premium	35,000	-
Bad-Debts	35,000	-
Bad-Debts Reserve	-	35,000
Discount Reserve on Debtors	-	1,300
Commission received	-	20,000
Goods Stock (Dt. 1-04-2020)	27,000	-
Salary and wages	1,25,000	-
Creditors	-	75,000
Dead Stock	12,000	-
Bank Overdraft	-	53,000
Cash Balance	1,05,000	-

Carriage Inward	27,000	-
Carriage Outward	10,000	-
Bills	45,000	25,000
Discounts allowed	3,000	-
	23,09,300	23,09,300

Adjustments :

- (1) Closing stock as on 31-03-2021 was valued at ₹ 1,03,000.
- (2) Fire occurred in business on 31-01-2021 due to which goods of ₹ 25,000 were destroyed and the insurance company accepted a claim of ₹ 12,000.
- (3) Out of debtors, ₹ 10,000 are not recoverable so they are to be written off. Provide Bad debt reserve 10 % and discount reserve 2 % on debtors.
- (4) Nakshi withdrew goods of ₹ 5,000 for personal use which are not recorded in the books of accounts.
- (5) Credit purchases of ₹ 5000 were not recorded.
- (6) Calculate depreciation, at 10 % on land and building, at 20 % on machinery and at 5% on furniture and fixtures.
- (7) Insurance premium included ₹ 2,000 for the next year.
- (8) Commission of ₹ 5, 000 is receivable.

Question 3- Answer the following questions by selecting appropriate choice: **(10 MARKS)**

1. Under which method the annual amount of depreciation remains identical?

A Straight line method	B Reducing balance method
C Revaluation	D Mileage
2. Under which transactions of business, third parties are not required?

A Internal	B External
C Credit	D Cash
3. The nature of the equation of capital - liabilities and assets means

A Capital = Assets + Liability	B Liability = Assets + Capital
C Receivables = Assets + Capital	D Assets = Capital + Liability
4. Depreciation is what kind of expense of business?

A Capital	B Revenue
C Capital and Revenue	D Fictitious
5. Under which concept probable loss is considered but not probable profit?

A Going concern principle	B Prudence concept
C Money measurement concept	D Separate entity concept
6. At which price closing stock is shown in the final Account?

A Original cost	B Cost price
C Market price	D Cost price or market price whichever is lower

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7. Assets purchased are to be recorded in the books of accounts at the actual amount paid for them is related to:
- A Realization Concept B Cost Concept
C Materiality Concept D Conservatism Concept
8. Where does the loss on sale of the machine will be recorded?
- A Credit side of machine Account B Debit side of machine Account
C Credit side of depreciation Account D Debit side of depreciation Account
9. When cash is withdrawn by the owner from business, then
- A Decrease in capital - Increase in liability B Decrease in capital - Increase in asset
C Decrease in capital - Decrease in asset D Increase in one asset and decrease in other asset
10. Which balance of the following balances of trial balance is shown in the Profit & Loss Account?
- A Salary – Wages B Wages - Salary
C Outstanding Salary – Wages D Outstanding Wages - Salary

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