Seat No: _____ Enrollment No:____

PARUL UNIVERSITY

FACULTY OF MANAGEMENT STUDIES

BBA/BBA Hons/Int.DBA-BBA Winter 2023 - 24 Examination

Semester: 01/05 Date: 10/01/2024

Subject Code: 06010101DS01 Time: 2:00pm to 4:30pm

Subject Name: Fundamentals of Accounting		Total Marks: 60				
	ructions					
	ll questions are compulsory.					
	igures to the right indicate full marks.					
	lake suitable assumptions wherever nec	cessary.				
4. Start new question on new page.Q.1 Do as Directed.				CO	PΩ	Rloom's
Ų.I	Do as Directed.			CO	10	
A)	Multiple choice type questions/Fill i	n the blanks (Fach of 1 mark)	(05)			Taxonomy
A).	1. The process of entering all transactions.		(03)	1	2	1
	called	ctions from the journal to the leager is		1	2	1
	a) Accounting	c) Entry				
		•				
b) Posting d) None of the above				1	2	1
	2 Which of the options is not an intang			1	2	1
	a) Land	c) Goodwill				
	b) Patents	d) Franchise rights			_	
	3. Heavy amount spent on advertisen	nent is		2	1	1
	a) Capital Expenditure	c) Revenue Expenditure				
	b) Deferred Revenue Expenditure	d) None of the above				
	4. The value of a fixed asset after dedu	acting depreciation from the historical		1	1	1
	cost is called					
	a) Book Value	c) Market Value				
	b) Fair Value	d) Net realizable Value				
5. Which of the following is a source of funds?				1	2	1
	a) Sale of building only	c) Term loan borrowed only				
	b) Issue of shares only	d) All of the above				
B).	Define the following. (Each of 1 ma	rk)	(05)		Taxonomy 2 1 1 1 1 1	
	1. IAS.			1	1	2
	2. Accounting Convention			1	2	2
	3. Conservatism Concept			2	1	1
	4. Accounting Cycle			1	2	2
	5. Financial Statement Analysis			2	1	2
C).	Direct questions. (Each of 1 mark)		(05)			
	1. Write two examples of Revenue in	ncome.		1	2	1
	2. Explain rules of Accounting.			3	1	2
	3. Cash withdrawal from business by	the proprietor for personal use		2	1	2
	should be debited to which accoun	nt?				
	4. Write different methods of deprec	iation		1	3	2

5. What are Bills of exchange?

Q.2Answer the following questions.

A). Write GAAP concepts in detail with examples.

(07) 2 1 2

B). The following trial balance was extracted from the books of Ravi as on 31/12/2022.

(08) 3 2 4

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Particulars	Amount Rs.	Particulars	Amount Rs.
Plant and Machinery	20,000	Capital account	80,000
Manufacturing Wages	34,500	Sundry creditors	44,560
Salaries	15,850	Bank Loan	15,000
Furniture	10,000	Purchase returns	1,740
Freight on Purchase	1,860	Sales	2,50,850
Freight on sales	2,140	Reserve for bad debts	2,000
Building	24,000		
Manufacturing expenses	9,500		
Insurance and Tax	4,250		
Goodwill	25,000		
General Expenses	8,200		
Factory fuel and power	1,280		
Sundry debtors	78,200		
Factory lighting	9,50		
Stock (1 st Jan.2022)	34,200		
Motor Car	12,000		
Purchases	1,02,000		
Sales returns	3,100		
Bad debts	1,400		
Interest and bank charges	4,00		
Cash at bank	4,200		
Cash in hand	1,120		
	<u>3,94,150</u>		<u>3,94,150</u>

Prepare the trading and profit and loss accounts for the year ended 31st Dec.2022 and the balance sheet as on that date taking into consideration the following information:

- 1) Stock in hand on 31st Dec 2022 was valued at Rs.30, 500.
- 2) Depreciation plant and machinery by 10%, Furniture by 5% and motorcar by Rs.1, 000.
- 3) Create reserve for bad debts at 5% on sundry debtors.
- 4) A commission of 1% on the gross profit is to be provided to works Manager.
- 5) General Manager is to be allowed a commission @ 2% on net profit after charging Works Manager's and before charging General Manager's Commission.

Q.3 Write Journal Entries in the books of Joy ltd. A). Particulars: 2 3 5 1st January: Mr. Joy started his business with Rs.50000 which he brought as his capital in cash. 10th January: He purchased goods worth Rs.30000 in cash and Rs.20000 on credit. 12th January: He paid Rs.500 as wages for sorting and packing the goods. (07)15th January: He sold goods originally purchased at Rs.35000 for Rs.20000 in cash and Rs.25000 on credit to several customers. 16th January: He paid Rs.8000 in cash to his suppliers for goods purchased earlier on credit. 20th January: He received Rs.15000 from his debtors for goods sold. 31st January: He paid Rs.1000 in cash towards rent. B). Write difference between SLM and WDV methods of depreciation. (08)2 2 2 Q.4 Attempt any two questions. (Each of 7.5 mark) (15)1. Write short note on: 2 2 1 (a) Significance of Accounting (b) Difference between concept of Capital and Revenue 2. Prepare a final accounts format with imaginary figures. 1 1 1 3 3 4,5 3. A Ltd. purchased on 1st April, 2019 a machinery for Rs. 2, 91,000 and incurred Rs. 9000 for installation. On 1st October another machinery for Rs. 1, 00,000 was purchased. On 1st October 2020 the machinery purchased on 01/04/2019 having become useless was sold for Rs. 1, 93,000 and on that day a new machinery was purchased for Rs. 2,00,000. Depreciation was provided on 31st March each year @ 10 percent p.a on written Down Value. You are required to prepare machinery account.

4. What is Ratio analysis? Explain Financial Analysis in detail.

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