



Biyani Institute of Science and Management
I Internal Examination 2019-20
MBA (I Semester)
Subject- Accounting for Management (M 105)



Time: 1.30 Hrs.

Set: A

MM: 30

[I] Subjective Questions (Attempt any two questions)

(2*10=20)

- 1) What is Trial Balance? What are its objectives? Is Trial Balance a conclusive proof of Accuracy? Discuss.
- 2) A company purchased a machine costing Rs.18,200 on 1st January,2012. An amount of Rs.300 incurred on carriage and Rs.1,500 on its installation. During the same year on 1st April, a second hand machinery purchased for Rs.5,000 and Rs.1,000 incurred in order to make it to use. On 1st July, 2014, the first machine being obsolete, sold for Rs.12,000. On the same day, a new machine purchased for Rs.25,000. On 31st December, 2014, the machine purchased on 1st April, 2012 being useless, was sold for Rs.3,000. Up to 31st December, 2014, depreciation was provided @ 10% by Fixed Installment System.
Prepare Machinery Account from 2012 to 2016. Calculate nearest to Rupee.
- 3) Write short notes on:-
 - (i) Bills of Exchange
 - (ii) Annuity Method of Depreciation
 - (iii) Book- keeping
 - (iv) Errors not affecting Trial Balance.

[II] Case Study – Compulsory

(1*10=10)

From the following trial balance of Suyog as at 31st March,2016, you are required to prepare the Trading and Profit & Loss Account for the year ended 31st March,2016 and a Balance Sheet as at that date, after making the necessary adjustments:

Trial Balance as at 31st March, 2016

	Rs.	Rs.
Suyog's Capital	-	80,000
Suyog's Drawings	6,000	
Plant & Machinery Balance 1.4.2015	20,000	
Plant & Machinery Addition on 1.10.2015	5,000	
Stock on 1.4.2015	15,000	
Purchases	82,000	
Return Inwards	2,000	
Sundry Debtors	20,600	
Furniture & Fixtures	5,000	
Freight and Duty	2,000	
Carriage Outward	500	
Rent, Rates & Taxes	4,600	
Printing & Stationery	800	
Trade Expenses	400	
Sundry Creditors		10,000
Sales		1,20,000
Returns Outward		1,000
Postage & Telegram	800	
Provision for Doubtful Debts		400
Discount		800
Rent of premises sublet for a year to 30th Sept.,2015		1,200

Insurance charges	700	
Salaries & Wages	21,300	-
Cash in Hand	6,200	-
Cash at Bank	20,500	-
	<u>2,13,400</u>	<u>2,13,400</u>

Adjustments:-

- a) Stock on 31st March, 2016 was valued at Rs.14,600.
- b) Write off Rs.600 as Bad debts.
- c) The Provision for Doubtful Debts is to be maintained at 5 per cent on Sundry Debtors.
- d) Create a Provision for Discount on Debtors and Reserve for Discount on Creditors at 2 per cent.
- e) Provide for depreciation on Furniture & Fixtures at 5 per cent per annum and on Plant & Machinery at 20 per cent per annum.
- f) Insurance prepaid was Rs.100.
- g) A fire occurred on 25th March, 2016 in the godown and stock of the value of Rs.5,000 was destroyed. It was fully insured and the Insurance Company admitted the claim in full.



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[I] Subjective Questions (Attempt any two questions)

(2*10=20)

- 1) Explain any 6 adjustments that are made for the preparation of Trading and P & L Account.
- 2) Write short notes on:-
 1. Journal proper
 2. Objects of Depreciation
 3. Petty cash Book
 4. Objects of Accounting
- 3) X Ltd. has imported a machine on July 1, 2001 for Rs. 128000, paid customs duty and freight Rs. 64,000 and incurred erection charges Rs. 48,000. Another local machinery costing Rs. 80,000 was purchased on January 1, 2002. On July, 1 2003 a portion of the imported machinery (value one third) got out of order and was sold for Rs. 27,840. Another machinery was purchased to replace the same for Rs. 40,000. Depreciation to be calculated at 20% p.a. Show the Machinery Account for 2001, 2002 and 2003.

[II] Case Study – Compulsory

(1*10=10)

From the following Trial Balance of M/s.Vinod and Sons as on 31st December. 2017, prepare Trading and Profit & Loss Account and Balance Sheet.

Particulars	Amount	Particulars	Amount
Opening Stock	12,300	Capital	20,000
Purchases	30,000	Loan	5,000
Sales Return	3000	Creditors	15,200
Gas and Water	480	Sales	55,000
Cash in hand	1,000	Purchase return	580
Cash at bank	5,700	Commission	500
Salaries and wages	8000	Bill Payable	1500
Rent, Rate & Taxes	7000		
Wages	1,250		
Insurance	1,000		
Carriage	750		
Discount	300		
Debtors	10,000		
Machinery	7,000		
Building	10,000		
	97,780		97,780

Adjustments:

- a. Stock in hand on 31-12-2018 Rs.12,300.
- b. Outstanding wages Rs.200 and Salaries Rs.100.
- c. Accrued Commission Rs.300.
- d. Create 5% provision for bad and doubtful debts.
- e. Charge 10% depreciation on Machinery.