



Biyani Institute of Science and Management
I Internal Examination-2019
MBA 1st Sem
(ACCOUNTING FOR MANAGEMENT)

Time: 1½ Hrs.

[SET B]

M.M.: 30

Attempt any three questions. Each carries equal marks.

1. Explain any 6 adjustments that are made for the preparation of Trading and P & L Account.
2. 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:

- (i) Stock in hand on 31-12-2018 Rs.12,30 0.
- (ii) Outstanding wages Rs.200 and Salaries Rs.100.
- (iii) Accrued Commission Rs.300.
- (iv) Create 5% provision for bad and doubtful debts.
- (v) Charge 10% depreciation on Machinery.

Ans.

Trading and P&L Account

Particulars	Amount	Particulars	Amount
To Opening Stock	12300	By Sales Less Return	
To Purchase Less Return (30000-580)	29420	(55000-3000)	52000
To Gas and Water	480	By Closing Stock	12300
To Wages 1250			
Add: O/s Wages 200	1450		
To Commission	750		
To Gross Profit	19900		
	64300		64300
To Salaries 8000		By Gross Profit	19900
Add: O/s Salaries 200	8100	By Commission 500	
To Rent and Rates	7000	Add: Accrued Comm. 300	800
To Insurance	1000		
To Discount	300		
To Provision for D. Debts	500		
To Dep. On Machinery	700		
To Net Profit	3100		
	20700		20700

Balance Sheet

Liabilities	Amount	Assets	Amount
Capital 20000		Cash	1000
3100	23100	Bank	5700
Outstanding Wages	200	Debtors 10000	
Outstanding Salaries	100	Less: Bad Debts 500	9500
Loan	5000	Machine 7000	
Creditors	15000	Less: Dep. 700	6300
Bills Payable	1500	Building	10000
		Accrued Commission	300
		Stock	12300
	45100		45100

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.

Machine A/c

Date	Particular	Amount	Date	Particular	Amount
1/7/2001	To Bank a/c	240000	31/3/2002	By Dep	
1/1/2002	To Bank a/c	80000		(36000 + 4000)	40000
				By Balance c/d	280000
		320000			320000
1/4/2002	To Balance b/d	280000	31/3/2003	By Dep	
				(48000 + 16000)	64000
				By Balance c/d	216000
		280000			280000
1/4/2003	To Balance b/d	216000	1/7/2003	By Bank	27840
	To Bank a/c	40000		By P&L a/c	20160
				By Dep	
				(32000 + 4000 + 16000 + 6000)	58000
				By Balance c/d	150000
		256000			256000

4. Write short notes on:-
- | | |
|-----------------------|------------------------------|
| (i) Journal proper | (ii) Objects of Depreciation |
| (iii) Petty cash Book | (iv) Objects of Accounting |