

**XT-107****010-006104****P.G.D.B.A. (Sem.-I) Examination****January-2015****Accounting for Business : PGDBA-11104****Faculty Code : 010****Subject Code : 006104****Time : 3 Hours]****[Total Marks : 70****Instruction : All the questions carry equal marks.**

1. The following trial balance is extracted from the book of Mr. Mehta on 31<sup>st</sup> December, 2014

<b>Particulars</b>	<b>Debit (₹)</b>	<b>Credit (₹)</b>
Furnitures and fittings	640	
Motor Vehicles	6,250	
Buildings	7,500	
Capital Account		12,500
Bad Debts	125	
Provision for Bad Debts		200
Sundry Debtors and Creditors	3,800	2,500
Stock on January 1, 2014	3,460	
Purchase and Sales	5,475	15,450
Bank overdraft		2,850
Sales and sales returns	200	125
Advertising	450	
Interest (on Bank Overdraft)	118	
Commission		375
Cash	650	
Taxes and Insurance	1,250	
General Expenses	782	
Salaries	3,300	
	<b>34,000</b>	<b>34,000</b>

**Adjustments :**

- (a) Stock in hand on 31<sup>st</sup> December, 2014 was ₹ 3,250.  
(b) Depreciate buildings at the rate of 5%, Furnitures and fittings at 10 % and Motor Vehicles at 20%.  
(c) ₹ 85 is due for interest on bank overdraft.  
(d) Salaries ₹ 300 and Taxes ₹ 120 are outstanding.  
(e) Insurance amounting to ₹ 100 is prepaid.  
(f) One-third of the commission received is in respect of work to be done next year.

2. What is meant by Cash flow statement ? Discuss the usefulness of Cash flow statement and also discuss the major limitation of it.

**OR**

Define accounting standards. Discuss benefits of accounting standards.

3. Enter the following transaction in the journal of a Jinesh for the Month of Dec. 2014 :

1	Jinesh commenced his business with a capital of	25,000
1	Bought Machinery	2,500
2	Bought goods for cash from Kunal	1,750
2	Sold goods for cash to Rajesh	5,250
3	Purchased goods from Ranjit on credit	4,200
4	Cash sales to Murli	4,400
5	Bought goods from Ankit on credit	3,750
5	Credit sales to Murli	5,100
6	Bought goods from Ranjit on credit	5,300
8	Bought office furniture for cash from Shyam Ltd.	6,450
12	Paid cartage to Ram Bharose Transport Co.	95
15	Paid carriage outward to Salim	55
17	Paid Trade expenses	25
18	Paid advertisement expenses to Mehul Agencies	800
19	Received interest from Sujan	200
20	Deposited cash into Bank	1,000
22	Paid rent	750
27	Paid insurance premium	250
29	Paid salary to Alkesh, a clerk	1,000

**OR**

Who are the Major Users of Financial Statement ? And also explain the Importance of Accounts to them.

4. What is meant by Financial Statement Analysis ? Explain its uses and benefits. Also list various Ratios commonly used for Financial Statement Analysis.

**OR**

If the Selling price of the product is ₹ 400 per unit. Its variable cost is ₹ 320 per unit. And Fixed cost is ₹ 1,60,000 per annum. Calculate the following :

- (1) P/v ratio
- (2) Break even points in units and in rupees
- (3) Sales required to earn a profit of ₹ 40,000
- (4) Profit when sales is ₹ 10,00,000

5. Write short notes on :

- (1) Break – even Analysis
- (2) Rules of Debit and Credit