

No. of Printed Pages : 6 **BPOI-002/BPOI-102**

**DIPLOMA IN BUSINESS PROCESS
OUTSOURCING–FINANCE AND
ACCOUNTING (DBPOFA)
Term-End Examination
December, 2021
BPOI-002/BPOI-102 : FUNDAMENTALS
OF ACCOUNTING**

Time : 3 Hours

Maximum Marks : 100

Note : (i) *There are **three** Sections.*

(ii) *All Sections are compulsory.*

(iii) *Please read instructions carefully given in each Section.*

Section—A

1. (a) Fill in the blanks : 1 each
- (i) is an incomplete record of business transactions.
- (ii) helps in ascertaining and controlling costs.

(iii) As per Dual Aspect concept,
Assets = Capital +

(iv) Accounting standards bring
in the accounting treatments used to
prepare and present financial
statements.

(v) Journal is a book of

(b) State whether the following statements are
True or False : 1 each

(i) Posting is done in ledger.

(ii) Compound journal entry is posted to
more than two accounts.

(iii) Cash book always shows a debit
balance.

(iv) Purchases journal is used for
recording cash purchases of goods
only.

(v) Sales returns journal is used for
recording the goods returned to
suppliers.

Section—B

Note : Attempt any *three* questions.

2. Differentiate between Capital Expenditure and Revenue Expenditure by giving suitable examples. 10
3. What is Balance Sheet ? State the objectives of preparing a Balance Sheet. Give a specimen of Balance Sheet with imaginary figures. 10
4. Why adjustment entries are necessary at the time of preparing Final Accounts ? Explain the treatment of provision for bad debts in the Final Accounts. 10
5. What do you mean by reserves ? What are its different types ? Distinguish between provisions and reserves. 4+6

Section—C

Note : Answer any *three* questions including Question No. 6 which is compulsory.

6. From the following Trial Balance of Shri Ram, prepare Trading and Profit & Loss Account for

the year ended 31st December, 2018 and a Balance Sheet as on that date : 20

Particulars	Dr. Balances (₹)	Cr. Balances (₹)
Opening Stock	20,000	
Purchases	80,000	
Drawings	13,000	
Sales		2,76,000
Sales returns	6,000	
Insurance	1,500	
Purchases returns		5,000
Carriage inwards	9,600	
Carriage outwards	3,800	
Wages	42,000	
Salaries	24,500	
Plant and Machinery	90,000	
Furniture	8,000	
Debtors and Creditors	50,000	22,000
B/Rs and B/Ps	9,500	800
Discount Received		8,200
Capital		75,000
Cash in Hand	6,300	
Travelling Expenses	22,800	
Total	3,87,000	3,87,000

Adjustments :

- (i) Stock on 31st December, 2018 was valued at ₹ 20,000 (Market value ₹ 25,000).
 - (ii) Prepaid insurance amounted to ₹ 500.
 - (iii) Salaries outstanding for December 2018 amounted to ₹ 2,800.
 - (iv) Wages outstanding for December 2018 amounted to ₹ 4,000.
 - (v) Charge depreciation on plant and machinery at 10% and on furniture at 5%.
7. What do you mean by business income and how is it measured ? Explain the main objectives of business income. 20
8. What is meant by Financial Schedule ? What is its need ? State the various items of accounts in respect of which the schedules are provided as a part of accounts. 20

9. What do you understand by accounting concepts ? Explain the accounting concepts which guide the accountant at the reporting stage. 20
10. Explain different types of errors which are usually committed in the process of accounting. Explain with examples. 20