

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

**DIPLOMA IN BUSINESS PROCESS
OUTSOURCING-FINANCE AND
ACCOUNTING (DBPOFA)**

Term-End Examination

December, 2023

**BPOI-002/102 : FUNDAMENTALS OF
ACCOUNTING**

Time : 3 Hours

Maximum Marks : 100

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

(ii) *All Sections are compulsory.*

(iii) *Read instructions carefully given in each Section.*

Section—A

1. (A) Fill in the blanks : 1×5=5

(i) accounting is more or less compulsory for every business house.

(ii) Purchase returns are also called as

P. T. O.

- (iii) If revenue expenditure is treated as a capital expenditure, it will result in of profits.
- (iv) Carriage outwards is an example of expense.
- (v) A journal entry involving more than two accounts is called
- (B) State whether the following statements are true *or* false : 1×5=5
- (i) Ledger account gives the folio of journal.
- (ii) Revenue reserves can be utilised for distribution of dividends.
- (iii) A promissory note is a bill payable for the payee.
- (iv) An error committed while recording or posting the transactions while totalling, balancing is error of principle.
- (v) Provision need not be made if there are no profits.

Section—B

Note : Attempt any **three** questions.

2. Write short notes on the following with examples : 5+5
 - (a) Discounting a bill of exchange
 - (b) Suspense A/c
3. Differentiate between the following : 5+5
 - (a) 'Books of original entry' and 'Ledger'
 - (b) 'Single column cash book' and 'Two column cash book'
4. What is Trial Balance ? Why do we prepare a Trial Balance ? 10
5. What do you mean by provision for discount on debtors and creditors ? Explain their treatment in the final accounts. 10

Section—C

Note : Attempt any **three** questions including Q. No. 6, which is compulsory.

6. From the following balances and information received from books of Mr. AB on 31st March, 2020, you are required to prepare the final

accounts (Trading and Profit & Loss Account and Balance Sheet) : 20

Particulars	Dr.	Cr.
	₹	₹
Capital		50,000
Plant and Machinery	18,000	
Depreciation on Plant and Machinery	2,000	
Repairs to plant	1,600	
Wages	28,000	
Salaries	4,000	
Income Tax	500	
Cash in hand	2,000	
Land and Building	74,500	
Depreciation on Building	2,500	
Purchases less returns and sales	1,23,500	2,49,000
Bank Overdraft		3,800
Accrued Income	1,500	
Salaries Outstanding		2,000

Bills receivable and Bills payable	10,000	3,000
Provision for Bad debts		6,000
Bad debts	1,000	
Discount on purchases		4,000
Debtors and Creditors	35,000	23,300
Stock as on 1st April	37,000	
	3,41,100	3,41,100

Other information :

- (a) Stock as on 31st March, 2020 was ₹ 30,000.
- (b) Write off ₹ 3,000 bad debts and maintain a provision of 5% on debtors.
- (c) Goods costing ₹ 5,000 was sent to a customer on sale or return basis on 1st March, 2017. This was recorded as actual sales. The rate of Gross Profit was 1/6th of sales.
- (d) ₹ 1,200 paid as rent of the office were debited to landlord account and were included in the list of debtors.
- (e) General Manager is to be given commission at 10% of net profit after charging the commission of Works Manager and his own.

- (f) Work Manager is to be given commission at 5% on gross profit.
7. (a) What do you mean by provisions in final accounts ? 3
- (b) What are its features ? 7
- (c) Differentiate between provisions and reserves. 10
8. Who are the users of financial statement ? How is it useful to them ? Also discuss the limitations of financial statement. 4+8+8
9. (a) What is Journal Proper ? Briefly explain transactions recorded in the Journal Proper. 10
- (b) State the provisions of Companies Act regarding maintenance of books of accounts. 10
10. What do you mean by Rectification of Errors ? Explain how rectification of one-sided error and two-sided error is done with the help of examples. 4+8+8