

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

00751

**Term-End Examination**

**June, 2013**

**BPOI-002 : FUNDAMENTALS OF ACCOUNTING**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : There are three sections. All the sections are compulsory.*

**SECTION - A**

1. (a) Fill in the blanks. 5x1=5
- (i) Journal Entry passed to make an adjustment in the relevant account is called \_\_\_\_\_ .
- (ii) All liquid assets are a part of \_\_\_\_\_ assets.
- (iii) All items of revenue nature are shown in the \_\_\_\_\_.
- (iv) According to business entity concept the owner's capital in business is to be treated as a \_\_\_\_\_ for a business.
- (v) Cash book balance reflects \_\_\_\_\_ in hand.

- (b) State whether the following statements are **True** or **False**. 5x1=5
- (i) Book keeping and accounting are synonymous.
  - (ii) When both the debit and credit aspects of a transaction are recorded in the cash book itself is called as Contra Entry.
  - (iii) Posting is done in the journal.
  - (iv) Debts which can be recovered is called as Bad Debts.
  - (v) All provisions are always shown on the liabilities side of the balance sheet.

## SECTION - B

(Answer any three questions)

2. Write short note on the following : 5+5
- (a) Dual Aspect Principle
  - (b) The matching principle
3. Explain in brief the difference between trade discount and cash discount. 10
4. Pass Journal Entries to rectify the following errors : 5x2=10
- (a) Rs. 6,000 paid in cash for a typewriters was charged to office expense.
  - (b) Purchase Return Book was over - cast by Rs. 5,000/-
  - (c) Sales to Mr. A for Rs. 10,000/- were posted to Mr. B's a/c.
  - (d) Credit sales to Ram Rs. 5,000/- were posted to Bharat as Rs. 50,000/-
  - (e) A sum of Rs. 1,500/- written off as depreciation on Machinery, was not posted to depreciation a/c.
5. Why adjustment entries are necessary at the time of preparing final accounts ? Name any two items of adjustment and explain how they will be shown in the final accounts. 10

### SECTION - C

Answer any three questions including question no 6 which is compulsory.

6. What do you understand by accounting concepts ? Briefly explain the accounting concepts principle and conventions which guide the accountant at reporting stage. 20
7. From the following transactions of M/S Ram and Sons, prepare two column Cash Book. 20

2009		Rs.
Feb. 1	Balance in shop - cash	25,000
Feb. 3	Purchased Typewriter	12,000
Feb. 5	Bought goods for cash	5,000
Feb. 6	Sold goods in cash	30,000
Feb. 11	Paid to Raju & Sons	6,000
Feb. 13	Received from Rahul	10,000
Feb. 14	Loan repaid	9,000
Feb. 15	Cash purchased	7,000
Feb. 16	Paid for Travelling	15,000
Feb. 18	Cash Sales	20,000
Feb. 19	Paid water charges	1,000
Feb. 20	Paid rent for godown	2,500
Feb. 23	Paid to Manoj General store in full settlement of their account of Rs. 8,000	7,600
Feb. 24	Received Commission	1,000
Feb. 25	Cash purchase	7,000
Feb. 28	Paid to Yash and	13,750
	discount allowed	250

8. (a) Define what is meant by share capital ?  
Enumerate various categories of share  
capitals. 10+10
- (b) What is debenture ? Distinguish between a  
share and debenture. 10+10
9. (a) How will you classify various assets and  
liabilities ? Explain with suitable examples.
- (b) Distinguish between Profit and Loss  
Account and Balance Sheet.
10. (a) Define a financial schedule and state the  
need therefore. 10+10
- (b) State the various items of accounts in respect  
of which the schedules are provided as part  
of accounts and give an examples of that.
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