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

Term-End Examination

June, 2018

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) Accounting concepts and conventions are also known as _____.
 - (ii) A compound entry is passed for transactions involving _____.
 - (iii) Purchase return are also called _____.
 - (iv) All direct expenses are debited to _____ A/C.
 - (v) Premium received on issue of shares is regarded as _____ profit.
- (b) State whether the following Statements are true or false. **5x1=5**
- (i) All expenses relating to the formation of a company are termed as 'Preliminary expenses'.
 - (ii) Provision ensure proper matching of revenue and expense.
 - (iii) Capital reserve are created out of capital profits.

- (iv) Stock is valued at cost or market price whichever is lower.
- (v) Secret reserve refers to a reserve which appear in the balance sheet.

SECTION - B

(Attempt any three questions)

2. (a) Explain the difference between the Capital and Revenue Expenditure. 2x5=10
 (b) Explain the difference between Capital Receipts and Revenue Receipts.

3. Give Journal entries to record the following transactions. 10
 - (a) Jan 2 Purchased furniture for cash 1,00,000
 - (b) Jan 4 Sale of old furniture 5,000
 - (c) Jan 10 Paid rent 1,000
 - (d) Jan 15 Received from Ms. Ramchand 10,000
 - (e) Jan 22 Paid Salaries 15,000

4. (a) Differentiate between 'Books of original entry' and 'ledger'. 2x5=10
 (b) Differentiate between single column and two column cash book.

5. Find out the Cost of Goods Sold from the following figures extracted from the books of Mydas Ltd. for the year 2013. 10

	₹
Stock [1.1.2013]	50,000
Purchases	1,00,000
Sales	5,00,000
Purchase Return	5,000
Stock [31.1.2013]	70,000
Direct expenses	60,000
Indirect expenses	1,00,000

SECTION - C

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

6. Journalise the following transactions post them into ledger and balance the accounts. 20

2013		₹
April 1	Naren Commenced Business Cash	1,00,000
April 2	Purchased furniture for Cash	20,000
April 4	Sold goods	10,000
April 6	Paid rent	50,000
April 8	Sold goods to Arun Brothers	10,000
April 9	Arun Brothers returned goods	2,000
April 12	Paid for Advertising	5,000
April 14	Paid for Stationery	2,000
April 20	Cash Sales	9,000
April 21	Received from Ram	2,500
April 22	Paid to Sita & Co	13,000
April 25	Sold goods on credit basis	16,000
April 26	Cash Sales	7,000
April 27	Paid Salaries	6,000
April 30	Paid Municipal taxes	4,000

7. (a) Define a financial schedule and its need to Business. 2x10=20
- (b) State the various items of A/C in respect of which the schedules are provided as part of accounts, and give an example of any one item.

8. Define the following : **4x5=20**
- (a) Deferred Revenue Expenditure
 - (b) Capital Reserves
 - (c) Suspense Account
 - (d) IFRS
9. Explain the term 'Bills of Exchange' in detail. **20**
Discuss the Bills Receivable and Bills Payable Journals with examples.
10. Discuss different types of errors in Accounting. **20**
Explain the rectification of errors with suitable examples.
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