

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

Term-End Examination

**BPOI-002 : FUNDAMENTALS OF
ACCOUNTING**

Time : 3 Hours]

[Maximum Marks : 100

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

Section A

1. A. Fill in the blanks. 5x1=5
- (i) Cash book contains
 - (ii) Sales journal is used to record
 - (iii) Discount is not recorded in the books of account.
 - (iv) A..... is sent to customer when he returns the goods.
 - (v) Accounting concepts and conventions are also known as
- b. (i) A promissory note is a bill payable for the payee.

- (ii) Depreciation on fixed assets is a capital expenditure.
- (iii) Wages are charged to trading account.
- (iv) Carriage outwards is an example of indirect expenses.
- (v) Total of assets and liabilities are always equal.

5x1=5

Section B

- 2. What is Trial Balance? Explain how is it prepared?
3+7
- 3. Explain business entity concept with suitable example. 10
- 4. Define accounting standards. Discuss the objectives and benefits of accounting standards in India. 2+3+5
- 5. Distinguish between- 3+7
 - a. Cost of goods sold and cost of goods processed
 - b. Gross profit and net profit
 - c. Direct expenses and indirect expenses
 - d. Trading account and manufacturing account
 - e. Balance sheet and P&L account

Section C

Attempt any three questions including question number 6, which is compulsory.

6. Journalise the following transaction post them into ledger and prepare trial balance. 20
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|-------|--|----------|
| (i) | 5th May 2017 Goods purchased from Anil & Co. | 3,00,000 |
| (ii) | 7th May Commission received | 15,000 |
| (iii) | 10th May Rent paid to Landlord | 70,000 |
| (iv) | 16th May Goods returned to Anil &co. | 20,000 |
| (v) | 18th May Goods sold to Ram | 2,00,000 |
| (vi) | 19th May Machine purchased in cash | 50,000 |
| (vii) | 20th May Cash received from debtors | 25,000 |
7. Explain the objectives of income measurement and differentiate between capital and revenue expenditure with examples. 8+12
8. What is meant by provision for bad debts and doubtful debts? Explain the treatment of both the items in final accounts. 10+10

9. What do you mean by provisions in final accounts?
What are its features? Differentiate between
provisions and reserves. 3+7+10
10. a. State the provisions of companies act
regarding maintenance and books of account.
10
- b. Draw a format of company balance sheet. 10

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