

00703

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

**Term-End Examination**

**December, 2017**

**BPOI-002 : FUNDAMENTALS OF ACCOUNTING**

*Time : 3 hours*

*Maximum Marks : 100*

- Note :**
- (i) *There are three sections.*
  - (ii) *All the sections are compulsory.*
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**SECTION - A**

**(All questions are compulsory)**

1. (a) Fill in the blanks : 5x1=5
- (i) \_\_\_\_\_ is a branch of Accounting concerned with measurement and control of cost.
  - (ii) In opening entry all assets are debited and all \_\_\_\_\_ are credited.
  - (iii) Sales Journal records all \_\_\_\_\_ sales of goods.
  - (iv) Wages and salaries are charged to \_\_\_\_\_.
  - (v) Reserves are divided into \_\_\_\_\_ & \_\_\_\_\_.

- (b) State whether the following statements are true or false : 5x1=5
- (i) Provision for bad and doubtful debts is a charge on profits.
  - (ii) Revenue reserves can be utilized for distribution of dividends.
  - (iii) The gross profit is the difference between total sales and credit sales.
  - (iv) A promissory note is a bill payable for the payee.
  - (v) Accounting is concerned only with the recording of transactions.

### SECTION - B

(Attempt any three questions)

2. Give the definition of accounting. What are the objectives of accounting ? 2x5=10
3. Distinguish between : 2<sup>1</sup>/<sub>2</sub>x4=10
- (a) Gross profit and Net profit
  - (b) Direct expenses and Indirect expenses
  - (c) Trading Account & Manufacturing A/C
  - (d) Closing stock & Opening stock
4. Give Journal entries for the following adjustments : 2<sup>1</sup>/<sub>2</sub>x4=10
- (a) Salaries Outstanding ₹ 30,000
  - (b) Prepaid Rent ₹ 6,000
  - (c) Commission earned but not yet received ₹ 600
  - (d) Depreciation at 6% p.a. on furniture of ₹ 20,000
5. Why is Journal sub-divided ? Name the special journals and state the type of transactions entered in each of them. 10

## SECTION - C

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

6. What do you understand by accounting principles & concepts? Explain any four concepts with examples. 20
7. (a) What is meant by share capital? Enumerate various categories of share capitals. 10
- (b) State the difference between profit & loss account and Balance Sheet. 10
8. The book debts of a firm on 31<sup>st</sup> March, 2010 amounted to ₹ 60,000. In the previous year a provision for Bad and doubtful debts was made for ₹ 18,000. On 15<sup>th</sup> March, 2010 ₹ 600 was received on account of a debt previously written off as bad. The actual bad debts during the book debts. Show these adjustments in Journal, Ledger & Final Accounts. 20
9. Define the term 'Reserve' and 'Provisions'. Distinguish the term 'Reserve' with 'Provisions'. 10x2=20
- 10 (a) What is a Balance Sheet? Distinguish between Profit and Loss A/C & Balance Sheet. 10

- (b) From the following Trial Balance of C. Ramachandran prepare in vertical form the Trading and Profit & Loss A/C for the year ended December 31, 2012 and Balance Sheet as on the date. 10

**Trial Balance of C.Ramachandran**  
for the year ended Dec. 31, 2012

Name of A/C	Dr. Balances	Cr. Balances
	₹	₹
Capital		50,000
Stock on Jan. 1,2012	9,223	
Sales		46,155
Purchases	28,450	
Carriage	374	
Advertising	300	
Rates & Insurance	1,776	
Salaries	50,000	
Premises	4,373	
Vehicles	3,000	
Debtors	4,875	
Creditors		10,439
Cash at bank	4,123	
Cash in hand	100	
Total	1,06,594	1,06,594