

**DIPLOMA IN BUSINESS PROCESS  
OUT SOURCING - F AND A PROGRAMME**

**Term-End Examination**

**June, 2012                      00519**

**BPOI-005 : RECORD TO REPORT (R2R)**

*Time : 3 hours*

*Maximum Marks : 100*

---

*Note : There are three sections and all are Compulsory.*

---

**SECTION-A**

(All questions are *compulsory* in this section)

1. State whether the following statements are **True**  
**or False.** **5x1=5**
- (a) Accounting standard - 12 is associated with Fixed Assets Accounting.
  - (b) One of the biggest users of the company's financial data is potential buyers.
  - (c) Amortisation usually refers to spreading an intangible asset's cost over that asset's useful life.
  - (d) Regular wear and tear is an external cause of depreciation.
  - (e) Basket purchase is the acquisition of several transactions in one transaction.

2. Fill up the blanks :

5x1=5

- (a) Short-term cash forecasting can be made with the help of \_\_\_\_\_ .
- (b) TAT stand for \_\_\_\_\_ .
- (c) Depreciable assets are assets which have a \_\_\_\_\_ useful life.
- (d) The cost of fixed assets should comprise of its \_\_\_\_\_ price and any attributable cost of bringing the asset to its working condition for its intended use.
- (e) Amount of cheque deposited but not yet collected by Bank need to be \_\_\_\_\_ when performing bank reconciliation is started from balance as per pass book.

## SECTION-B

Answer *any three* questions from this Section :

3. (a) Explain five reasons of Fixed Assets Revaluation. **5+5**
- (b) What do you mean by revaluation of fixed assets ? Why is it necessary to revalue fixed assets ?
4. (a) Explain with examples two methods of preparing cash budget. **5+5**
- (b) State importance of Record to Report in business.
5. BARSO Ltd's plant and machinery account had a balance of Rs. 25,00,000 on 1<sup>st</sup> January 2004. The company was started in 1<sup>st</sup> January 2000 and has a practice of charging full year depreciation every year on diminishing balance system @ 10%. In 2004 it was decided to change the method of Depreciation from Diminishing balance to straight line method, with retrospective effect from 2003 and to give effect of the change by preparing final accounts. For the year ended December 31<sup>st</sup> 04 the depreciation rate remain's same as before. In 2004 new machine was purchased at a cost of Rs. 30,000 and all the other machines were acquired in 2000. Show plant account from 2000 to 2004. **10**

6. ABNS Ltd purchased machinery on April 1, 2000 costing \$ 200,000 on the following terms of payments : 10

(a) April 1, 2000 Down payment of 50%.

(b) October 1, 2004 Final Installment of 50%.

The useful life of machine is estimated to be 15 years at the end of which residual value will be \$ 2,000. The exchange rate upto end of April' 04 was \$ 1 = Rs.50. On 1<sup>st</sup> May 2004 the exchange rate was adjusted to \$1 = Rs.40. Show the relevant entries accounting the above P and L A/c for the year ending 31<sup>st</sup> March 2005.

## SECTION-C

Answer *any four* questions including question number *Seven* which is compulsory.

7. Prepare Bank Reconciliations statement as on 30<sup>th</sup> April 2010. 15
- (a) Balance as per Cash book Rs. 20,000 DR.
  - (b) Cash deposited in bank Rs. 24,000 not entered in cash book.
  - (c) Rs. 20,000 Debited from Bank account for Credit card payment. Not entered in cash book.
  - (d) Over draft charges registered as Rs. 500 but actual charges are Rs.50.
  - (e) Personnel drawings of Rs. 200 not entered in cash book.
  - (f) Cheque issued on 20<sup>th</sup> April 2010 amounting Rs.1400 is presented in Bank.
  - (g) Bank Charges debited in bank account Rs.1200. Not in cash book.
  - (h) Cheques amounting Rs. 8000 deposited in bank but not yet collected by bank.
  - (i) Interest credited in bank account Rs.1500 has been entered in cash book as Rs. 15000.
  - (j) Mr. D assured to deposit Rs. 1000 in bank account on 15<sup>th</sup> April 2010, so entered in cash book. But money deposited on 12<sup>th</sup> may 2010.

8. What is Cash Budget ? Explain different elements of cash budget. 15
9. Explain the following reconciliations in details : 15
- Sub Ledger Reconciliations.
  - Inter company Reconciliations.
  - Other Balance sheet account Reconciliations.
10. What is the meaning of Reporting in Record to Report ? Explain different categories of Reporting. 15
11. LOCA Ltd. commenced trading on 1<sup>st</sup> April' 2000. During the 2 years till 31<sup>st</sup> December 2002, the company bought and sold machinaries for business. 15

Date	Machine No	Cost	Disposal	Disposal Amt.
1 May 2000	MMK1	42000	10 April 2002	20000
3 August 2001	MMK2	14000		
1 March 2001	MMD1	46000		

Depreciation on machinery 20% per annum of the straight line, with no residual value. Full year depreciation is provided for machinery purchased before 1<sup>st</sup> July but no depreciation is provided in the year of disposal. Using reducing balance basis for Depreciation at the Rate 25% per annum. Prepare books for the period 1<sup>st</sup> April 2000 to 31<sup>st</sup> March 2002.

- Provision for Depreciation Account
- Motor vehicles Disposition Account.