

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

Term-End Examination

June, 2023

**BPOI-002/102 : FUNDAMENTALS OF
ACCOUNTING**

Time : 3 Hours *Maximum Marks : 100*

Note : (i) *There are three Sections.*

(ii) All Sections are compulsory.

Section-A (Compulsory)

1. (A) Fill in the blanks : 1×5=5
- (i) Accounting meant for outsiders is known as
 - (ii) concerned with analysis and interpretation of accounting information to guide the Management for future planning.

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- (iii) Every business transaction has sides.
 - (iv) Accounting concepts are termed as
 - (v) Debit what comes in, what goes out.
- (B) State whether the following statements are true or false : 1×5=5
- (i) Financial Statements are prepared on Mercantile system only.
 - (ii) IFRS stands for International Financial Reporting Standards.
 - (iii) AS-2 is meant for disclosures of accounting policies.
 - (iv) In Journal, transactions are recorded in chronological order.
 - (v) Salaries outstanding account is regarded as personal account.

Section-B (Compulsory)

2. What do you mean by Double Entry System ? How does it differ from Single Entry System ? 10

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3. Briefly explain the consistency principle and materiality principle. 5,5
4. How are Accounting Standards useful to the Accountants and Auditors ? Explain. 5,5

Section—C

Note: Attempt any three questions including Q. No. 5, which is compulsory. Each question carries 20 marks.

5. Journalize the following transactions, post them into ledger and prepare Trial Balance :

2021		₹
January 1st	Goods purchased from Bihari	91,000
February 8th	Interest paid	5,000
February 22nd	Rent received from tenant	16,000
March 4th	Goods returned to Bihari	7,000
March 7th	Goods sold to Neera	65,000
March 11th	Cash paid to Alag	33,000
March 16th	Furniture sold	21,000
March 25th	Discount allowed to Neera	3,000

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6. Write short notes on the following :
- Revenue Expenditure
 - Deferred Revenue Expenditure
 - Trial Balance
 - Golden Rule
7. Distinguish between the following :
- Revenue Reserves and Capital Reserves
 - General Reserve and Specific Reserve
8. Identify the items in respect of which the significant accounting policies have to be provided and give an example of any *one* such item.
9. How would you treat the following items while preparing the final account if the items are given in adjustment ?
- Drawing of good by the Proprietor
 - Provision for bad and doubtful debts
 - Income received in advance
 - Provision for discount on creditors

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