

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

**Term-End Examination**

**June, 2011**

**BPOI-005 : RECORD TO REPORT**

*Time : 3 hours*

*Maximum Marks : 100*

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**Note :** *Attempt all the three Sections.*

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**SECTION - A**

(All questions in this section are compulsory)

1. State whether the following statements are *true* or *false*. 5
- (a) Principal mistake refers to an accounting entry error such as Capital Vs Revenue.
  - (b) A budget is both a plan as well as a control tool.
  - (c) Forecast is the basis for preparation of the budget.
  - (d) Turn around time is an Accuracy Metrics.
  - (e) It is important to present the financial numbers to the investors who would be required to ensure the process of accounting is in order.

2. *Fill up the blanks :*

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- (a) Debtors or creditors reconciliations are also referred to as \_\_\_\_\_ reconciliation.
- (b) Sales return is an example of \_\_\_\_\_ Reconciliation item.
- (c) Time taken by banks in collecting the payments for customer bank is called \_\_\_\_\_ float.
- (d) Number of vouchers processed without supporting documents is type of \_\_\_\_\_ Metrics.
- (e) Reporting for shareholders and lenders comes under \_\_\_\_\_ reporting.

## SECTION - B

3. Attempt *any three* questions. 3x5=15
- (a) Explain Categories of Reporting.
  - (b) Explain Inter Company reconciliation.
  - (c) Explain Causes of Depreciation.
  - (d) What is Debtors and Creditors Reconciliation ?  
Explain the reasons for differences in balances.
4. Answer *all the three* questions. 3x5=15
- (a) New Computer bought is Estimated to have Effective life of 20,000 hrs. The cost of the computer is Rs 60,000/-. If the computer has worked for 2000 hrs in 2008 and 3000 hrs in 2009.  
  
What will be the amount depreciation at the End of Each year ? You are required to show the computer Account for 2008 and 2009.
  - (b) On 1.1.2008, balance of Machinery Account was Rs 48,600/-. On 1.7.2008, a new Machine was purchased for Rs 24,000/- installation cost Rs 1000/-. On 1.9.2008 Machinery was sold for Rs 6,000/-. The original cost of the Machine sold was Rs 10,000/- on 1.1.2006. Machine is depreciated at 10% p.a. under the diminishing balance method.  
  
Show Machinery A/C for the year 2008.  
The books are closed on 31<sup>st</sup> Dec. Every year.

(c) The annual cash requirement of B Ltd. is Rs 1,00,000/-. Cost of conversion of Marketable Securities per lot is Rs 1,000/-. The Company can Earn 5% annual yield on its securities

- (i) Calculate optimal lot size using Baumol Model.
- (ii) What are the assumptions on which Baumol Model is based on.

## SECTION - C

Answer *any four* questions including question No 5 which is compulsory.

4x15=60

5. ABC company has overdraft facilities in SBI. Company cash book shows the bank balance as on 31.12.2009 Rs 55,000/- (Debit balance)

An Examination of the cash book and bank statement disclosed the following :

- (a) Cheques issued on 20.12.2009 for Rs 16,900/- out of which Rs 3,000/- and Rs 3,600/- cleared 01.01.2010
- (b) Bills Receivable for Rs 11,500/- was discounted on 29.12.2009, but No Entry has been found in cash book for the same (Discounting charges Rs 115).
- (c) Cheque deposited for Rs 15,000/- on 20.12.2009 and was accounted as Rs 51,000/- in cash book.
- (d) Payment side of the bank book had been overcast by Rs 100/-
- (e) Interest on over draft Rs 512/- has not been accounted in cash book.
- (f) Bank charges Rs 50/- shown in the bank statement had not entered in cash book.
- (g) Dividends amounting to Rs 2,000/- had been paid in to bank directly, not accounted in cash book.
- (h) Cheque received and recovered in cash book for Rs 50,000/- but not sent to bank for collection.

- (i) Cheque received from debtor for Rs 60,000/- had been dishonoured prior to 31.12.2009, no record appear in cash book.

You' are required to prepare Bank Reconciliation Statement as on 31.12.2009.

6. Explain the specific controls for R2R with respect to :
- (a) Reconciliation.
  - (b) Fixed Assets.
7. What is revaluation of fixed Assets ? Why is it necessary to revalue fixed Assets ? Discuss various methods for the same.
8. What is cash budget ? What are the different techniques for preparing a cash budget ?
9. ABC Company purchased 3 Maruti Alto Cars for Rs 2,50,000/- Each on 1<sup>st</sup> April 2006. Company charges depreciation @10% on straight line method. On 1<sup>st</sup> April 2008, one car was damaged in accident and was sold for Rs 1,60,000/- and another car was sold for Rs 21,5,000/- on 31.3.2009. Accounting period ends on 31.3.2009 and you are require to prepare Car A/C, Car disposal a/c and Depreciation A/C.