No. of Printed Pages : 5 **BPOI–002/BPOI–102**

DIPLOMA IN BUSINESS PROCESS OUTSOURCING–FINANCE AND ACCOUNTING

(DBPOFA)

Term-End Examination

December, 2024

BPOI–002/BPOI–102 : FUNDAMENTALS OF ACCOUNTING

Time : 3 Hours *Maximum Marks : 100*

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

(ii) All Sections are compulsory.

(iii) Please read instructions carefully given in each Section.

Section—A

1. (a) Fill in the blanks : 5×1=5

(i) The branch of accounting concerned with the analysis and interpretation of accounting information to guide the management for future planning of business activities is known as ....

(ii) Under .... basis of accounting, expenses are recognized when incurred and not merely when actual payments are made in cash for them.

(iii) According to .... principle, all business transactions must be recorded in the books of accounts in terms of standard currency of the country where business is set up.

(iv) .... accounting standard provides for an acceptable basis for inventory valuation.

(v) A journal entry involving more than two accounts is known as a .... entry.

(b) State whether the following statements are True *or* False : 5×1=5

(i) Journal is a statement of balances of the various ledger accounts.

(ii) A cash book prepared for recording small payment of cash is known as a petty cash book.

(iii) Entries made in books of accounts for correction of errors are known as contra entries.

(iv) Suspense Account is opened to Tally the Trial Balance temporarily.

(v) One who owes some amount to the business is known as a Debtor.

Section—B

***Note** : Attempt any **three** questions.*

2. Distinguish between the following : 5+5=10

   (a) Double entry and Single entry system of accounting

   (b) Capital expenditure and Revenue expenditure

3. Write short notes on the following : 5+5=10

   (a) Errors of Commission

   (b) Secret Reserve

4. Which *three* types of activities should be separately recorded in cash flow statement ? Explain the *three* activities with examples. 10

5. What is the meaning of a financial schedule ? Give examples of *three* financial schedules. Why is there a need for financial schedules ?

   2+3+5=10

Section—C

Note : *Question No. 6 is compulsory. Attempt any* ***two*** *questions from the remaining questions.*

6. The following balances were extracted from the books of ABC Corp. on 31st March, 2022 : 20

Name of the Account	Debit (₹)	Credit (₹)
Capital		80,000
General Expenses	5,000	
Building	10,000	
Stock on 1st April, 2021	22,000	
Wages	15,000	
Debtors	13,000	
Creditors		2,000
Loan		15,000
Sales		1,50,000
Purchases	1,00,000	
Salaries	14,000	
Cash at Bank	68,000	

(a) Closing stock on 31st March, 2022 is ₹ 30,000.

(b) Depreciate building by 10%.

(c) Salaries outstanding ₹ 1,000.

(d) Write off ₹ 1,000 as provision of Bad Debts.

Prepare Trading and Profit & Loss Account for the year ending 31st March, 2022 and Balance Sheet as on that date.

7. What is meant by share capital ? List and define various categories of share capital. 20

8. Briefly explain the accounting concepts that have to be followed at the time of reporting. 20

9. Explain the steps to be followed in journalizing. 20

10. What is a bill of exchange ? Name the parties to a bill of exchange. Which are the *three* ways in which a holder of a bill receivable can deal with it ? 20

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