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

DIPLOMA IN BUSINESS PROCESS OUTSOURCING–FINANCE AND ACCOUNTING

(DBPOFA)

Term-End Examination

June, 2025

BP01-002/BP01-102 : FUNDAMENTALS OF ACCOUNTING

Time : 3 Hours *Maximum Marks : 100*

Note : *There are three Sections. All Sections are compulsory. Read instructions carefully given in each section.*

Section–A

1. (a) Fill in the blanks : 1×5=5

(i) ………… is the branch of accounting concerned with measurement and control of cost.

(ii) Under the .... principle, the accountant is expected to follow the policy of playing safe by providing for all possible future losses.

(iii) Amount withdrawn by the owner from the business for personal use is known as ....

(iv) .... accounting standard provides for the commonly employed methods of depreciation.

(v) A list or a catalogue of details is known as a financial ....

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

(i) Losses which do not arise in the normal course of business are known as capital losses.

(ii) Goodwill is an example of a tangible asset.

(iii) Excess of sales revenue over cost of goods sold is known as Net Profit.

(iv) Expenses paid but the benefit of which is yet to be received are known as prepaid expenses.

(v) Reserves created out of normal business profits are known as Capital Reserves.

Section–B

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

2. What are financial statements ? Why are financial statements prepared ? 10

3. Distinguish between the following : 5+5
   (a) Shares and Debentures
   (b) Capital and Revenue Receipts

4. Write short notes on the following : 5+5
   (a) Real Accounts
   (b) Petty Cash Book

5. Explain different types of errors which are usually committed in the process of accounting. 10

Section–C

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

6. Following is the Trial Balance of XYZ. Prepare Trading and Profit & Loss Account for the ended 31st March, 2022 and Balance Sheet as on that date : 20

Name of the Account	Dr. (₹)	Cr. (₹)
Capital	–	20,000
Drawings	4,000	
Sales and Purchases	60,000	75,000
Returns	15,000	2,000
Salaries	4,000	
Debtors and Creditors	1,000	300
Opening stock	9,000	
Machinery	16,000	
Cash in Hand	1,800	
	97,300	97,300

Adjustments :

(a) Closing stock was valued at ₹ 12,000.

(b) Depreciate machinery at 20% per annum.

(c) Salaries outstanding were ₹ 500.

(d) Provide for doubtful debts at 10% on debtors.

7. What are the main differences between a Profit & Loss Account and a Balance Sheet ? 20

8. What is the meaning of Business Income ? What is the usefulness of measurement of business income ? 20

9. Write short notes on the following : 5+5+5+5

   (a) IFRS

   (b) UK GAAP

   (c) US GAAP

   (d) Accounting Conventions

10. What is a Trial Balance ? Why do we prepare a Trial Balance ? Explain the process of preparation of a Trial Balance. 20

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