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BACHELOR OF ARTS (FACILITIES AND SERVICES MANAGEMENT) (BAFSM)

Term-End Examination

June, 2026

BFO-012 : BASIC ACCOUNTS AND FINANCE

Time : 3 Hours *Maximum Marks : 100*

Note : *(i) Attempt any **five** questions.*

(ii) All questions carry equal marks.

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1. (a) Describe the advantages and limitations of accounting.

   (b) What do you understand by the Principle of Double Entry ? Give the rules of debit and credit with suitable examples. 12+8

2. (a) What do you mean by Accounting concept ?

   (b) What Accounting concepts are considered at the reporting stage ?

14+6

3. (a) Why do you regard Trial Balance as a test of the arithmetical accuracy of the books of account ? List the errors that will be disclosed by the Trial Balance.

   (b) Distinguish between Profit and Loss Account and Balance Sheet. 12+8

4. Show how you will record the following item in the profit and Loss Account and the Balance sheet. 20

   The Trial Balance showed the following balances as on December 31, 2024 :

	(₹)
Salaries	10,000
Wages	20,000
Rent Received	6,600
Commission Received	2,000
Interest on Investments	6,000

Additional Information :

(i) Salaries amounting to ₹ 2,000 are outstanding.

(ii) Wages include ₹ 1,560 paid in advance.

(iii) Interest on investment ₹ 1,200 for the months of January, February and March, 2019.

(iv) Rent for the month of December amounting to ₹ 600 is not yet received.

Gross profit for the year is ₹ 40,000 and other expenses amounted to ₹ 10,000.

5. (a) What is a firm's capital structure ? How is it different from financial structure ?

(b) Explain the significance of depreciation on assets. 14+6

6. (a) Define budgeting and budgetory control. State the objective of Budgeting.

(b) The Gross Profit Margin of a company is ₹ 12,00,000 and the operating expenses are ₹ 4,50,000.The taxes to be paid are ₹ 4,80,000. The sales for the year are ₹ 27,00,000.calculate Net Profit Margin. 12+8

7. (a) Explain basic finance functions. Also Discuss the challenges faced by the financial manager in India.

(b) What is 'Cash Flow Statement' ? List down any *four* important accounting transactions that increase the profit but have no impact on cash flow statement.

12+8

8. Write short notes on any *four* of the following : 4×5=20

(a) Tally software

(b) Suspense account

(c) Return inward journal

(d) Working Capital Ratios

(e) Maximization of Shareholder's wealth

(f) Going concern concept

9. Define 'Money Market'. Explain its characteristics. 20

10. Explain the following : 2×10=20

(a) How the risk and return trade off is maintained by working capital policy ?

(b) Factors influencing working capital needs of an organisation.

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