

**BACHELOR OF VOCATION**  
**Management Financial Services**  
**Subject: Basics of Accounts**  
**Subject Code: BFS502**  
**Semester: First**  
**January 2021**  
**Theory (External): 70 Marks**  
**Time: 03 Hours**

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**Instructions to the Students**

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

<b>Roll Number</b>									

**SECTION -A (SHORT/OBJECTIVE TYPE QUESTIONS)**

**(10x2=20 Marks)**

- A Define financial accounting.
- B What is the objective of financial accounting?
- C Why accounting principles are necessary?
- D What is share capital?
- E Write a short note on corporate accounting.
- F What is trial balance?
- G Why charging depreciation is important for business?
- H Write the name of final accounts of a company.
- I What is the effect of depreciation on costing?
- J What is Cash book?

## SECTION –B (ESSAY TYPE QUESTIONS)

(5x10=50 Marks)

- 1 Who are the different users of financial accounting? Also explain the limitation of financial accounting.
- 2 Explain five accounting principles with example.
- 3 Create journal entries for the following transactions:
  1. Harish started business with cash Rs. 10000
  2. Bought goods from Manohar Rs. 5000
  3. Purchase fittings for cash Rs. 800
  4. Sold goods to Charanjeet Rs. 1600
  5. Paid Manohar Rs. 3000
  6. Sold goods Vadva Ram Rs. 2000
  7. Received from Charanjeet Rs.1540 and allowed him discount Rs. 60
  8. Paid wages Rs. 80
  9. Bought goods for cash Rs. 600
  10. Sold goods to Ramesh Rs. 3400
- 4 Prepare the trial balance:
  - i. Ram Mohan invested Rs.8,000 cash in his new landscaping business.
  - ii. The business paid the first month's rent with Rs.300 cash.
  - iii. The business purchased equipment by paying Rs.2,000 cash and executing a note payable for Rs.3,000.
  - iv. The business purchased supplies for Rs.200 cash.
  - v. The business billed clients for a total of Rs.1,000 for design services rendered.
  - vi. The business received Rs.750 cash from clients for services rendered above.
  - vii. The owner took a withdrawal of Rs.2,000
- 5 What are the different methods of depreciation? Explain any one method in details with example.

- 6 Prepare Trading and Profit and Loss Account and Balance Sheet from the following balances relating to the year ended 31st March, 2018:

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Capital	1,00,000	Wages	50,000
Creditors	12,000	Bank	10,000
Returns Outward	5,000	Repairs	500
Sales	1,64,000	Stock on 1st April, 2017	20,000
Bills Payable	5,000	Rent	4,000
Plant and Machinery	40,000	Manufacturing Expenses	8,000
Sundry Debtors	24,000	Trade Expenses	7,000
Drawing	10,000	Bad Debts	2,000
Purchases	1,05,000	Carriage	1,500
Returns Inward	3,000	Fuel and Power	1,000

Additional information:  
 Closing stock was valued Rs.14,500  
 Depreciate Plant & Machinery by Rs.4,000  
 Write off Bad debts Rs. 5000  
 A sum of Rs. 400 is due for repairs.

- 7 Write short notes on any two:
- Computers and Financial application
  - Capital budgeting
  - BPO specific Financial Metrics
- 8 Explain the process of recording the transactions in detail.

\*\*\*\*\*END OF PAPER\*\*\*\*\*