

2209M008

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8. Describe the followings:
- Capital Budgeting
 - Limitation of Financial Accounting

==END OF PAPER==

B.Voc
Management Financial Services
Subject: Basics of Accounts
Subject Code: BFS-502
Semester: First
Session: - 2019-22
Theory (External): 70 Marks
Time: 03 Hours

Instructions to the Students

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

Roll Number

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SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)
(10x2= 20 Marks)

- A. What do you mean by Book-Keeping concept
- B. Why is accounting called the language of business?
- C. List out the different stakeholders of the accounting information.
- D. Write down a draft of Ledger with suitable example.
- E. Give a brief light on the role of computer in accounting.
- F. What is the distinction between debtor and creditor?
- G. Define the term Accounting Equation.
- H. What is the difference between Accounting Concept and Conventions?
- I. Write any three importance of Depreciation to a business firm
- J. Describe the accounting process.

SECTION –B (ESSAY TYPE QUESTIONS)
(5x 10= 50 Marks)

1. Define the concept of Financial Accounting and role of Financial Accounting in business
2. Elaborate the major accounting concepts and conventions with their application in real business world

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3. Write a short note on the followings:
 - a. Subsidiary Books
 - b. Corporate accounting
4. Prepare general journal entries for the following transactions of a business called Pose for Pics in 2021:
April 1: Sachin the owner, invested Rs. 57,500 cash and Rs. 32,500 of photography equipment in the business.
April 05: Paid Rs. 3,000 cash for an insurance policy covering the next 24 months.
April 07: Services are performed and clients are billed for Rs. 10,000.
April 13: Purchased office supplies for Rs. 1,400. Cash paid Rs. 400 and remaining outstanding.
April 20: Received Rs. 2,000 cash in photography fees earned previously.
April 24: The client immediately pays Rs. 15,000 for services to be performed at a later date.
April 29: In addition, the business acquires photography equipment. The purchase price is Rs. 100,000, pays Rs. 25,000 cash and signs a note for the balance.
5. Describe the Accounting Process in Details. Which Step of accounting process required high analytical skills.
6. On July 01, 2016, Sujain Ltd. purchased a machine for Rs. 1,08,000 and spent Rs. 12,000 on its installation. At the time of purchase it was estimated that the effective commercial life of the machine will be 12 years and after 12 years its salvage value will be Rs. 12000.
Prepare Machine Account and Depreciation Account in the books of Sujain Ltd. for the 4 years, if depreciation is written off according to straight line method. The accounts are closed on December 31st every year.
7. Prepare a Final accounts draft (Trading Account, P&L Account and Balance Sheet) of Harish Steel Pvt. Ltd. with imaginary figures.