

2202M020

**BACHELOR OF VOCATION**  
**Management Financial Services**  
**Subject: Basics of Accounts**  
**Subject Code: MFM503**  
**Semester: First**  
**February 2022**  
**Theory (External): 70 Marks**  
**Time: 03 Hours**

---

**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

Roll Number									

221

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

- A. What is book keeping?
- B. What do you mean by journal?
- C. What is going concern concept?
- D. What is reserve capital?
- E. Which are subsidiary books?
- F. What is posting of entries?
- G. What is a revenue/?
- H. What is cost and costing?
- I. What is financial metrics?
- J. What is trading account?

**SECTION –B (ESSAY TYPE QUESTIONS)**  
(5x10=50 Marks)

1. What is the scope and objectives of financial accounting?
2. "Despite limitations of financial accounting, the accounting information is useful for many stakeholders." Comment.

3. What are different principles and conventions of financial accounting?
4. Pass journal entries for following transactions-
  - a. Bright enterprises started a business with capital of Rs. 10 lakh
  - b. Bought furniture for Rs. 50,000/-
  - c. Purchased goods for Rs. 70,000/- in cash and Rs. 50,000/- on credit from Suryaveer.
  - d. Goods sold for Rs. 40,000/- in cash and Rs. 20,000 on credit to Supriya
  - e. Paid Salaries for Rs. 10,000/- and Wages for Rs. 8,000/-
5. What is the financial application of computerised accounting?
6. Why trial balance is prepared? Prepare trial balance with imaginary figures?
7. Shiny Private limited purchased a machinery for Rs. 5 lakh on 1<sup>st</sup> April 2021. The rate of depreciation is @5% per annum. (a) Prepare depreciation account and machinery account considering Straight Line Method and Diminishing Balance Method for next 4 years upto 31<sup>st</sup> March 2025. (b) Which method of depreciation will be more beneficial for the company in these years considering taxation and profits point of view.
8. What is the treatment of following items in final accounts?
  - a. Prepaid expenditure of Rs. 4000/-
  - b. Accrued income of Rs. 5000/-
  - c. Provision for Bad and doubtful debts Rs. 20,000/-
  - d. Income received in advance Rs. 10,000/-
  - e. Depreciation provision Rs. 5000/-

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