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**BFO-012**

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

**Term-End Examination**

**December, 2025**

**BFO-012 : BASIC ACCOUNTS AND FINANCE**

*Time : 3 Hours*

*Maximum Marks : 100*

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

(ii) All questions carry equal marks.

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1. (a) Discuss the various stages involved in the accounting process. 14
- (b) What is the accounting implication of Going Concern Concept ? 6

2. (a) What do you mean by accounting concepts ? Briefly explain the accounting concepts which guide the accountant at the recording stage. 12
- (b) What are Accounting Standards ? What is the need of issuing accounting standards ? 8
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. 10
- (b) Differentiate between financing decision and investment decision. 10
4. (a) What is Budgeting ? What are the advantages and limitations of Budgeting ? 12
- (b) Explain the factors that influence working capital needs. 8

5. From the following Balance Sheet of Kavitha Ltd., calculate Debt Equity Ratio and Total Debt Equity Ratio : 20

**Balance Sheet of Kavitha Ltd.**  
**as on March 31, 2024**

<b>Liabilities</b>	<b>Amount (₹)</b>
Equity capital	1,50,000
9% Preference share capital	60,000
Reserve and Surpluses	40,000
8% Debentures	80,000
Long-term loans	1,20,000
Creditors	30,000
Bills Payable	65,000
Total	5,45,000

<b>Assets</b>	<b>Amount (₹)</b>
Land and Buildings	2,00,000
Plant and Machinery	2,00,000
Sundry Debtors	1,10,000
Cash at bank	35,000
Total	5,45,000

6. (a) “Funds Flow Statement is only supplementary to P & L Account and Balance Sheet; it can't be substitute to P & L Account and Balance Sheet.” Do you agree with this statement ? Justify your views. 12
- (b) What are the determinants of capital structure ? Explain briefly. 8
7. (a) Define a computerised accounting system. Distinguish between manual and computerised accounting system. 12
- (b) Explain the need and significance of depreciation. What factors should be considered for determining the amount of depreciation ? 8
8. Write short notes on any *four* of the following : 5×4=20
- (a) Petty cash book
- (b) Journal entry

- (c) Dividend Function
  - (d) Working capital ratio
  - (e) Break-even point
  - (f) International financial reporting standard
9. List and elaborate activities of a financial manager of a large corporate. 20
10. What is the difference between net working capital and cash ? Explain in detail. 20

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