

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

**Term-End Examination**

**June, 2025**

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

*Time : 3 Hours*

*Maximum Marks : 100*

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**Note :** Attempt any **five** question. All questions carry equal marks.

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1. (a) Define Accounting and explain its scope. 12
  - (b) Distinguish between cash basis and accrual basis of accounting with examples. 8

2. (a) What do you mean by double entry system of accounting ? Explain its advantages. Also distinguish it from single entry system of accounting. 14
- (b) What do you mean by the 'Principle of Consistency' ? 6
3. (a) Journalise the following transactions : 12

June, 2024		₹
1	Cash sale to Ashok	1,800
2	Bought goods from Kaustub	10,000
3	Old newspapers sold	100
4	Paid Municipal taxes by cheque	900
4	Paid for repair to machinery	1,000
10	Received commission by cheque	1,700

- (b) What are the advantages of maintaining a Petty Cash Book ? Explain the method of balancing and posting the Petty Cash Book. 8
4. (a) What is a 'Suspense Account' ? When is it opened ? How do you rectify the error when a Suspense Account that has already been opened ? 10
- (b) Define depreciation. Explain the merits and demerits of calculating depreciation through written down value method. 10
5. Critically examine various theories of capital structure. 20
6. (a) In how many groups the assets can be categorized based on usage ? Also explain each of the usage categories in a retail perspectives. 12
- (b) "Risk increases proportionately with financial leverage." Refute this statement with reasons. 8

7. (a) What is a 'Cash Flow Statement' ?  
Explain the techniques of preparing a  
cash flow statement. 12
- (b) "A budget is a means and budgetary  
control is the end result." Explain. 8
8. Write short notes on any *four* of the  
following : 4×5=20
- (a) Money Market
  - (b) Trading on Equity
  - (c) Finance Function
  - (d) Computerised Accounting System
  - (e) Balance Sheet
  - (f) Compound Journal Entry
9. What is capital structure ? Explain the  
importance of capital structure and  
planning. 20
10. Make a comparative assessment of different  
types of securities from the point of view of  
capital structuring. 20

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