

No. of Printed Pages : 5 **BPOI-002/BPOI-102**

**DIPLOMA IN BUSINESS PROCESS
OUTSOURCING-FINANCE AND
ACCOUNTING
(DBPOFA)**

Term-End Examination

June, 2025

**BP01-002/BP01-102 : FUNDAMENTALS OF
ACCOUNTING**

Time : 3 Hours

Maximum Marks : 100

Note : *There are three Sections. All Sections are compulsory. Read instructions carefully given in each section.*

Section-A

1. (a) Fill in the blanks : 1×5=5
- (i) is the branch of
accounting concerned with
measurement and control of cost.

- (ii) Under the principle, the accountant is expected to follow the policy of playing safe by providing for all possible future losses.
 - (iii) Amount withdrawn by the owner from the business for personal use is known as
 - (iv) accounting standard provides for the commonly employed methods of depreciation.
 - (v) A list or a catalogue of details is known as a financial
- (b) State whether the following statements are True or False : $1 \times 5 = 5$
- (i) Losses which do not arise in the normal course of business are known as capital losses.
 - (ii) Goodwill is an example of a tangible asset.

- (iii) Excess of sales revenue over cost of goods sold is known as Net Profit.
- (iv) Expenses paid but the benefit of which is yet to be received are known as prepaid expenses.
- (v) Reserves created out of normal business profits are known as Capital Reserves.

Section-B

Note : Attempt any *three* questions.

- 2. What are financial statements ? Why are financial statements prepared ? 10
- 3. Distinguish between the following : 5+5
 - (a) Shares and Debentures
 - (b) Capital and Revenue Receipts
- 4. Write short notes on the following : 5+5
 - (a) Real Accounts
 - (b) Petty Cash Book
- 5. Explain different types of errors which are usually committed in the process of accounting. 10

Section-C

Note : Question No. 6 is compulsory. Attempt any **two** questions from the remaining questions.

6. Following is the Trial Balance of XYZ. Prepare Trading and Profit & Loss Account for the ended 31st March, 2022 and Balance Sheet as on that date : 20

Name of the Account	Dr. (₹)	Cr. (₹)
Capital	—	20,000
Drawings	4,000	
Sales and Purchases	60,000	75,000
Returns	15,000	2,000
Salaries	4,000	
Debtors and Creditors	1,000	300
Opening stock	9,000	
Machinery	16,000	
Cash in Hand	1,800	
	97,300	97,300

Adjustments :

- (a) Closing stock was valued at ₹ 12,000.
 - (b) Depreciate machinery at 20% per annum.
 - (c) Salaries outstanding were ₹ 500.
 - (d) Provide for doubtful debts at 10% on debtors.
7. What are the main differences between a Profit & Loss Account and a Balance Sheet ?
20
8. What is the meaning of Business Income ?
What is the usefulness of measurement of business income ?
20
9. Write short notes on the following : 5+5+5+5
- (a) IFRS
 - (b) UK GAAP
 - (c) US GAAP
 - (d) Accounting Conventions
10. What is a Trial Balance ? Why do we prepare a Trial Balance ? Explain the process of preparation of a Trial Balance. 20

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