

**Dr. Babasaheb Ambedkar Open University**  
**Term End Examination July – 2021**

Course	: BBAR/DBAR	Date	: 02-Aug-2021
Subject Code	: BBAR-102/DBAR-102	Time	: 01:00pm to 03:00pm
Subject Name	: Basics of Accounting	Duration	: 02 Hours
		Max. Marks	: 50

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**Section A**

**Answer the following (Attempt any two)**

**(20)**

1. Explain the principles of accounting.
2. Explain the different type of errors which are disclosed and not disclosed by the Trial Balance.
3. What are subsidiary books? Explain with illustrations.
4. Define journal? Discuss the advantage and limitation of journal.

**Section B**

**Answer the following (Attempt any three)**

**(15)**

1. What is "Double-entry Book Keeping system"?
2. Explain difference between ledger and journal.
3. State the reasons why a firm would want to change method of Depreciation.
4. Define the difference between cash book and petty cash book.
5. On *March 2018*, Mr. Intaj, starts wholesaling business. Following transactions as follows:
  1. He started business with capital of Rs. 15,000 and Land worth Rs. 10,000.
  8. Bought goods from Bilal and Friends Rs. 1,000 and by cash from XYZ Co. Rs 2,000.
  13. Sold goods to Rehman & sons Rs. 1,500 and sale by cash Rs. 5,000.
  17. Gave away charity of cash Rs. 50 and merchandising worth Rs. 30.
  21. Paid Bilal and Friends cash Rs. 975; discount received Rs. 25.
  28. Received cash from Rehman & Sons Rs. 1,450; allowed him discount of Rs. 50.Journalise transaction.

**Section C**

**Part – A (Multiple Choice Questions)**

**(10)**

- 1 Mr.Y purchased goods from Mr.Z on credit. This is a/an
  - A Event
  - B Transaction
  - C Both
  - D None
- 2 The Second step of accountancy is
  - A Journal Entry
  - B Ledger Posting
  - C Balance of Account
  - D Trial Balance
- 3 Furniture is an example of \_\_\_\_\_ Account.
  - A Personal
  - B Real
  - C Nominal
  - D A & B
- 4 Net Realisable Value of an asset means
  - A The historical cost of the asset
  - B Its sale value as on a particular date
  - C Its written down value as on a particular date
  - D None of the above
- 5 Transfer to General Reserve is a charge against
  - A Trading Account
  - B Profit and Loss Account
  - C Profit and Loss Appropriation Account
  - D Balance Sheet
- 6 All direct expenses are charged against
  - A Trading Account
  - B Profit and Loss Account
  - C Manufacturing Account
  - D None of the above

- 7 Cash receipts are recorded on the \_\_\_\_\_ of the Cash Book.  
A Debit side B Credit side  
C Both sides D Any one side
- 8 Arrange the steps of accounting in sequential order -  
(i) Trial Balance;  
(ii) Journal Entry;  
(iii) Balancing of Accounts;  
(iv) Ledger Posting.  
A (i),(ii),(iii),(iv) B (ii),(iii),(iv),(i)  
C (ii),(iv),(i),(iii) D (ii),(iv),(iii),(i)
- 9 The cost of a machine is Rs.10,00,000. The rate of depreciation is 10%. The depreciation for the 3rd year, on Straight line method, is  
A 6,00,000 B 5,40,000  
C 3,00,000 D 4,30,740
- 10 Choose the odd one out  
A Wages B Stationery  
C Sales D Cash

**Part – B (Do as Directed)**

**(05)**

- 1 Accounts Receivable
- 2 Fund Flow Statement
- 3 Solvency
- 4 Trial Balance
- 5 Draw Two column Cash Book

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