

Dr. Babasaheb Ambedkar Open University
Term End Examination February – 2026

Course	: BCAMU	Date	: 28-Feb-26
Subject Code	: BCAMU104 / BCAOL-104	Time	: 11:30am to 01:45pm
Subject Name	: Financial Accounting and Management	Duration	: 02.15 Hours
		Max. Marks	: 70

Section A

Answer the following (Attempt any three)

(30)

1. What are the functions of accounting? Explain.
2. Record the following transaction in the Journal for the month of 2025
June
1: Started business by bringing in cash Rs. 7,000 and furniture of Rs. 1,000.
4: Sold personal car for Rs. 1500 and invested Rs. 700 in the business.
7: Withdraw Rs. 7,500 for household expenses
11: Brought Rs. 1,400 as additional capital
14: Paid fire insurance premium Rs. 110 and life insurance premium of Rs. 82.
19: Received income tax refund Rs. 900.
22: Paid son's fees Rs. 2,400 from the business.
26: Purchased machinery on credit from Hari Bora for Rs. 3500
28: Purchased goods for cash Rs. 1200
30: Received commission Rs. 2,000
3. Explain the different subsidiary books of accounts in brief.
4. What are the different types of errors that cannot be disclosed by trial balance? Explain.
5. Prepare Trading Account and Profit and Loss Account for the year ended 31.03.2015 and a Balance Sheet as on that date.

Trial Balance as on 31-03-15

Particulars	Debit Balance (Rs.)	Particulars	Credit Balance (Rs.)
Cash	46,700	Creditors	16,000
Furniture	11,000	Sales	86,000
Computer	42,000	Capital	50,000
Insurance	1,500	Commission received	1,000
Wages	2,000	Bank Loan	12,500
Carriages inward	500		
Purchases	36,000		
Debtors	12,000		
Drawings	12,000		
Salary	1,800		
	1,65,500		1,65,500

Closing Stock is valued at Rs. 5,000.

Section B

Answer the following (Attempt any four)

(20)

1. Explain the assumptions and principles of GAAP in brief.
2. Explain the classification of accounts and Rules for debit and credit.
3. Explain the Features of Ledger Accounts.
4. From the following information prepare cash book.
2014, July
 - 1 Cash Balance Rs. 13000, and Bank balance Rs. 18000.
 - 2 Cash Purchases Rs. 3500, and cash sales Rs. 5300.
 - 4 Withdrew Rs. 4200 from Bank for business.
 - 7 Purchased files and ballpens and gave a cheque of Rs. 750.
 - 9 paid salary Rs. 2400 and Rent Rs. 1300.
 - 13 paid electricity bill of the shop Rs. 700 and of the residence Rs. 1000.
5. The Cash general ledger account balance of Gladstone Ltd. was 2,531 at March 31, 2018. On this same date, the bank statement had a balance of 1,500. The following discrepancies were noted:
 - a. A deposit of 1,000 made on March 30, 2018 was not yet recorded by the bank on the March statements.
 - b. A customer 's cheque amounting to 700 and deposited on March 15 was returned NSF with the bank statement.
 - c. Cheque #4302 for office supplies expense, correctly made out for 125 and cleared the bank for this amount, was recorded in the company records incorrectly as 152.
 - d. Rs. 20 for March service charges were recorded on the bank statement but not in the company records.
 - e. A cancelled cheque for 250 belonging to Global Corp. but charged by the bank to Gladstone Ltd. was included with the cancelled cheques returned by the bank.
 - f. There were 622 of outstanding cheques at March 31.
 - g. The bank collected a net amount of 290: 250 regarding a note receivable, interest revenue of 50, and a 10 service charge that also is not included in the company records.Required: Prepare a bank reconciliation and record all necessary adjusting entries at March 31, 2018.
6. Explain the different types of Profitability Ratios.

Section C

Part – A (Multiple Choice Questions)

(10)

- 1 Current Assets doesn't include -----
 - A stock
 - B debtors
 - C Furniture
 - D B/R
- 2 -----credited in trading account.
 - A purchase
 - B sales
 - C Opening stock
 - D none of these
- 3 When trial balance does not tally, it is tallied temporarily with help of ____ account.
 - A Trading a/c
 - B Profit and loss a/c
 - C Suspense a/c
 - D Balance sheet

- 4 Trading account contains information about:
A purchase B expenses
C closing stock D all of above
- 5 In narration is required and written in each and every entry.
A Journal B ledger
C both D None of these
- 6 L.F. stands for?
A ledger Folio B Just Folio
C ledger First D none of these
- 7 EPS stands for?
A Enter-per-Share B Earnings-per-Share
C Earnings-per-Slot D Earnings-pure-Share
- 8 Journal is called -----
A Primary book B Secondary book
C both D none of the above
- 9 Current liabilities doesn't include -----
A Outstanding salary B Creditors
C Furniture D BOD
- 10 How many types of activities a Statement of Cash Flows have?
A 3 B 4
C 2 D 1

Part – B (Do as Directed)

(10)

- 1 Explain Outstanding Expenses.
- 2 Define trial balance.
- 3 What is book keeping?
- 4 What is a petty cash system?
- 5 Define Bills Receivable.
- 6 What is meant by Prepaid Expenses?
- 7 Define Creditor.
- 8 Explain long-term liabilities.
- 9 Define Postulates.
- 10 Explain Revenue Expense.
