

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

Course	: BCAMU	Date	: 18-07-2026
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)

- What are the functions of accounting? Explain.
- Pass the necessary journal entry from the following transactions.
2025
July 1: Cash received from Ramesh Rs. 5,000.
July 2: Received from Sita Rs. 1,000 in cash and Rs. 10,000 by cheque.
July 11: Purchased goods for Rs. 4,000
July 13: Purchased goods on credit from Rani for Rs. 2,000
July 15: Goods sold for Rs. 10,000
July 16: Goods sold to Jadu for Rs. 1,000 on credit
July 17: Goods returned to Rani Rs. 1,000
July 19: Purchased a plot of land for Rs. 1,00,000
July 20: Purchased furniture on credit from MM Company for Rs. 50,000
July 21: Old computer sold for Rs. 5,000
- From the following trial balance of M/S Patel Bros. prepare Trading and Profit and Loss Account for the year ended 31.03.2026 and a Balance Sheet as on that date.

Trial Balance as on 31-03-26

Particulars	Debit Balance (Rs.)	Particulars	Credit Balance (Rs.)
Opening Stock	25,000	Creditors	40,000
Salaries	6,000	Sales	1,40,000
Insurance	400	Capital	25,000
Carriage Inward	1,700	Discount	100
Commission	4,400	Bills Payable	6,200
Stationery	2,300	Return outward	1,000
Purchases	75,000		
Return inward	3,200		
Rent & Taxes	2,000		
Bills Receivable	4,000		
Drawings	2,800		
Office Furniture	8,000		
Debtors	67,000		
Cash in hand	500		
Cash in Bank	10,000		
	2,12,300		2,12,300

Adjustments:

- Closing Stock is valued at Rs. 30,000.
- Prepaid Insurance Rs. 100

- 3) Office Furniture to be depreciated at 10%
- 4) Provision for doubtful debt to be provided at 2% on Debtors.
- 5) Salary outstanding Rs. 200.
4. Explain the Operating Activities, Investing Activities and Financing Activities of Cash Flows.
5. Describe the Features and Advantages of Double Entry System.

Section B

Answer the following (Attempt any four)

(20)

1. Explain the classification of accounts and Rules for debit and credit.
2. Explain the Format of profit and loss account.
3. Explain the Features of Ledger Accounts.
4. From the following information prepare cash book.
2026, June
 - 1 Cash Balance Rs. 13000, and Bank balance Rs. 18000.
 - 2 Cash Purchases Rs. 3500, and cash sales Rs. 5300.
 - 4 Withdraw 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. Explain the Distinctions between fixed and fluctuating Capital accounts.
6. Classify the following accounts:

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|--------------------------------------|--------------------------------|
| (i) Sales | (ii) Purchase |
| (iii) Returns outward | (iv) Returns inward |
| (v) Carriage inward | (vi) Carriage outward |
| (vii) Discount Allowed | (viii) Interest received |
| (ix) Discount Received | (x) Interest paid |
| (xi) Rent paid | (xii) Rent Payable |
| (xiii) Rent paid in advance | (xiv) Rent of premises sub-let |
| (xv) Bad Debt | (xvi) Import duty |
| (xvii) Salary paid | (xviii) Outstanding Salary |
| (xix) Salary paid in advance | (xx) Insurance premium |
| (xxi) Prepaid Insurance | (xxii) Depreciation |
| (xxiii) Commission paid | (xxiv) Commission Received |
| (xxv) Commission Received in Advance | (xxvi) Royalty Paid |
| (xxvii) Dividend Received | |

Section C

Part – A (Multiple Choice Questions)

(10)

- 1 What is the first book of original entry in the double-entry system?

A Ledger	B Journal
C Subsidiary Book	D Trial Balance
- 2 _____ Account is 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
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