

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

Course	: BSCIT	Date	: 22/07/2026
Subject Code	: BSCIT-202	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. Pass the necessary journal entry from the following transactions.
2025
June 1: Cash received from Ram Rs. 50,000.
June 2: Received from Sita Rs. 10,000 in cash and Rs. 10,000 by cheque.
June 11: Purchased goods for Rs. 4,00,000
June 13: Purchased goods on credit from Raj for Rs. 2,00,000
June 15: Goods sold for Rs. 1,00,000
June 16: Goods sold to Jadu for Rs. 10,000 on credit
June 17: Goods returned to Raj Rs. 10,000
June 19: Purchased a plot of land for Rs. 1,00,000
June 20: Purchased furniture on credit from MM Company for Rs. 5,00,000
June 21: Old computer sold for Rs. 50,000
2. Explain the Advantages and Disadvantages of Double Entry System.
3. Explain the Format of Trading, Profit and Loss Account and Balance Sheet.
4. The following information is taken from the records of Smith Corp. for the year ended June 30, 2025:
Advertising Expense 1,500
Commissions Expense 4,000
Cost of Goods Sold 50,000
Delivery Expense 500
Depreciation Expense – Equipment 500
Insurance Expense 1,000
Office Salaries Expense 3,000
Rent Expense – Office 1,000
Rent Expense – Store 1,500
Sales Salaries Expense 2,000
Sales 72,000
Sales Returns and Allowances 2,000
Required:
Prepare a classified multi-step income statement for the year ended June 30, 2025.
Assume an income tax rate of 20%.
5. The following transactions were made by Landers Corp. in March 2025.
Mar. 1 Established a petty cash fund of 200
Mar. 12 Reimbursed the fund for the following:
 Postage 10
 Office supplies 50
 Maintenance 35
 Meals (selling expenses) 25
Mar. 18 Increased the fund by an additional 200
Mar. 25 Reimbursed the fund for the following:
 Office supplies 75
 Delivery charges 30

Required: Prepare journal entries to record the petty cash transactions.

Answer the following (Attempt any four)

1. Explain the characteristics of accounting information.
2. Explain the Operating Activities, Investing Activities and Financing Activities of Cash Flows.
3. Explain the different types of cash book.
4. Explain the Distinctions between fixed and fluctuating Capital accounts.
5. Explain the Features of Generally Accepted Accounting Principles (GAAP).
6. Explain the meaning and needs of accounting standards.

Part – A (Multiple Choice Questions)

- 1 -----the ratio in which the old partners agreed to sacrifice their share of profit in favor of incoming partner.
A Sacrificing ratio
C Both
B Gaining ratio
D None of these
- 2 ROA stands for?
A Return on Total Assets Ratio
C Both
B Return on Tax Assets Ratio
D None of these
- 3 The Going Concern Assumption assumes that the business will:
A Close after one year
C Continue operations in the foreseeable future
B Be sold off soon
D Become profitable in the first year
- 4 ROE stands for?
A Return on Equity Ratio
C Both
B Return on Earnings Ratio
D None of these
- 5 When a new partner is admitted, goodwill is treated as:
A Fixed asset
C Intangible asset
B Expense
D Profit
- 6 Which inventory system updates stock continuously?
A Periodic system
C Manual system
B Perpetual system
D Single-entry system
- 7 Book-keeping is concerned with:
A Analyzing financial statements
C Recording financial transactions
B Interpreting data
D Budget preparation
- 8 Liquidity ratios measure:
A Profitability
C Ability to meet short-term obligations
B Debt-equity mix
D Market performance
- 9 Which activity includes cash receipts from customers?
A Financing
C Operating
B Investing
D None of above

- 10 What is the first book of original entry?
A Ledger B Journal
C Subsidiary Book D Trial Balance

Part – B (Do as Directed)

(10)

- 1 Define journal.
- 2 What is a ledger?
- 3 What is accounts receivable?
- 4 Define Current Assets.
- 5 Who sets accounting standards in India?
- 6 Define profitability ratio.
- 7 Define Expense Account.
- 8 Define Liability Account.
- 9 Define Drawings Account.
- 10 Define Real Accounts.
