

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

Course	: Diploma Course	Date	: 06/07/2026
Subject Code	: DAA-01	Time	: 11:30am to 01:45pm
Subject Name	: Basics of Accounting	Duration	: 02.15 Hours
		Max. Marks	: 70

Q-1 Discuss the need for accounting concepts and principles. **14**

OR

Explain Accounting Standard -2 in brief.

Q-2 Write a note on Accounting Standard -3 Cash Flow Statements. **14**

OR

Explain the Entity Concept and the Going Concern Concept.

Q-3 Write a Note on Accounting Standard -16 Borrowing Cost. **14**

OR

Write a note on Accounting Standard -1.

Q-4 Explain Accounting Standard -6 Depreciation Accounting.

OR

Write a note on Accounting Standard -9.

Q-5 (A) Short notes (Any three) **09**

1. Materiality Concept
2. Matching Concept
3. Techniques of Accounting for Amalgamation
4. Dual Aspect Concept
5. Objectivity Concept

(B) Choose the correct option for the questions given below and write the answer. **05**

1. The business entity concept states that:
(A) Business and owner are the same
(B) Business transactions are separate from the owner's personal transactions
(C) Only cash transactions are recorded
(D) Profit is always guaranteed
2. Under the historical cost concept, assets are recorded at:
(A) Market price (B) Estimated future value
(C) Original purchase cost (D) Replacement cost
3. Inventories are valued at:
(A) Cost only (B) Market price only
(C) Cost or Net Realizable Value, whichever is lower (D) Selling price
4. Cash flows are classified into:
(A) Two activities (B) Three activities
(C) Four activities (D) Five activities
5. Which of the following is a fixed asset?
(A) Inventory (B) Debtors (C) Building (D) Cash
