

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

Course	: PGDBA	Date	: 27-Feb-26
Subject Code	: PGDBA-103	Time	: 11:30am to 01:45pm
Subject Name	: Accounting for Managers	Duration	: 02.15 Hours
		Max. Marks	: 70

Section A

Answer the following (Attempt any three) (30)

1. Write the Functions of Accounting in detail.
2. Record journal entries in the books of J. Smith & Co. from the following transaction:
Transactions during January 2006
1 Started business with a capital of Rs.50,000 and Building valued Rs.5,00,000 and stock of Rs. 50,000
6 Paid into bank Rs. 30,000
8 Cash Sales of Rs. 10,000
10 Purchased goods of Rs.4,000
17 Goods sold to Ramakant of Rs.2,800 and cash received of Rs.2,750/-
25 Paid telephone Bill of Rs.300
26 Paid wages to workers Rs.5,000
28 Withdrawn from Bank for personal use Rs.5,000
31 Purchased computer & paid by cheque Rs.22,000
3. From the following Particulars, prepare a Bank Reconciliation Statement showing the Balance as Per Cash Book on 31st March 1994:

	Rs.
(a) Balance as per pass book	8,000
(b) Cheques deposited but not credited by the bank	1,000
(c) Cheques issued but not presented for Payment	500
(d) Cheques deposited into Bank without recording in Cash Book	600
(e) Cheques issued to creditors but not recorded in Cash Book	700
(f) Dividend collected by Bank, not recorded in Cash Book	100
(g) Deposits directly deposited into Bank not recorded in Cash Book	2,000
(h) Debit side of the Cash Book was under cast by	1,000
(i) Bank charges debited in Pass Book, not recorded in cash Book	50
(j) Bank met a Bill Payable for Rs. 1,000 on 30/3/1994 under advice to the firm on 2/4/1994	
(k) A bill for Rs. 2,000 discounted for Rs. 1,900 returned dishonoured by Bank noting Charge being Rs.10	
(l) A Bill for Rs. 1,000 discounted with the Bank is entered in the Cash Book without recording the discount charges	100

4. Explain the Computation of Depreciation in detail.
5. State the basis for Classification of ratios in ratio analysis?

Section B

Answer the following (Attempt any four)

(20)

1. Discuss the difference between Journal & Ledger.
2. Discuss the procedure of preparing purchase return book.
3. Discuss with examples the types of errors not disclosed by trial balance.
4. Describe the Difference between Capital Expenditure and Revenue Expenditure.
5. Write a short note on Trading Account Items (Cr.Side).
6. Write a Limitation of Balance Sheet.

Section C

Part – A (Multiple Choice Questions)

(10)

- 1 Which is not the part of accounting system?
A cheque B journal
C ledger D pass book
- 2 Which is an external user of accounting information?
A Employee B Stock broker
C Government D Consumer
- 3 Posting involves:
A keeping data in debit part B keeping data in credit part
C moving of data from debit to credit D transfer of debit and credit from journal to ledger
- 4 Sales Return Book will record transaction of goods that are:
A bought by the customer B sale by the customer
C returned by credit customers D None of the above
- 5 In which method it is seen that excess of debit side over credit side gets adjusted automatically?
A Total method B Balance method
C Compound method D None of the above
- 6 Which is not a part of Abnormal Loss?
A loss by fire B loss in transit due to accident
C loss of property in foreign country D all of these
- 7 bank reconciliation statement is prepared:
A end of financial year B every month
C quarterly D Half yearly
- 8 Opening stock is concerned with:
A It shows value of goods at hand B It is for previous accounting year
C It shows value of goods purchase D None of the above

- 9 Which among the following method is suitable in plant and machinery?
A Fixed instalment method B Diminishing balance method
C Annuity method D Depreciation fund method
- 10 Which among the following shows traditional classification of ratios?
A Profit and loss account ratios B Profitability ratios
C Turnover ratios D Financial ratios

Part – B (Do as Directed)

(10)

Write whether the statements are true or false.

- 1 Assets = Liabilities + Owner's Equity is known as the accounting equation.
- 2 Expenses increase owner's equity.
- 3 A trial balance ensures that total debits equal total credits in the ledger.
- 4 Liabilities represent what a company owns.
- 5 Retained earnings are part of shareholders' equity.
- 6 Accounting is the process of recording, summarizing, and analyzing financial transactions.
- 7 Depreciation is a method used to allocate the cost of a fixed asset over its useful life.
- 8 The current ratio measures a company's profitability.
- 9 A bank reconciliation statement is prepared only when there is a discrepancy in the cash book.
- 10 Closing stock appears only in the Balance Sheet and not in the Trading Account.
