

- Q.27 Write a note on :

  - a) Capital                              b) Expenses

Q.28 Who are the users of accounting information?

Q.29 Discuss the meaning and types of errors.

Q.30 Draw a format of Profit and Loss Account.

Q.31 Define Journal. What are the features of a journal?

Q.32 What is the process of posting in a ledger?

Q.33 Explain the Types of accounts. Also discuss the golden rules of debit and credit.

Q.34 Discuss the concept of subsidiary books. Explain format of purchase book.

Q.35 Discuss the importance of preparing a P/L account.

## **SECTION-D**

**Note: Long answer questions. Attempt any two questions out of three Questions. (2x10=20)**

- Q.36 Discuss in detail various Accounting principles and their importance.

Q.37 Define Trial Balance. Explain the objectives and methods of preparing trial balance.

Q.38 What are the objectives of preparing a Balance Sheet? Enlist the items included in the balance sheet.

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3rd Sem.  
Branch : DBM  
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Time : 3 Hrs. M.M. : 100

## **SECTION-A**

**Note: Multiple choice Questions. All Questions are compulsory. (10x1=10)**

- Q.1 Assets which have no physical existence:

  - a) Current Assets
  - b) Fixed Assets
  - c) Tangible Assets
  - d) Intangible Assets

Q.2 The account that records income and expenses is a:

  - a) Personal account
  - b) Real account
  - c) Nominal account
  - d) None of above

Q.3 Debit what comes in and credit what goes out is the rule of:

  - a) Personal account
  - b) Real account
  - c) Nominal account
  - d) None of above

Q.4 The assets that can not be converted into cash within one year:

  - a) Current Assets
  - b) Fixed Assets
  - c) Investment
  - d) Intangible Assets

Q.5 Net profit is result of which Statement:

  - a) Trading account
  - b) Profit & Loss account
  - c) Balance Sheet
  - d) None of these

- Q.6 Final accounts are prepared:  
 a) Yearly                    b) Monthly  
 c) Quarterly                d) Weekly
- Q.7 Assets – Liabilities = ?  
 a) Gains                    b) Income  
 c) Earnings                d) Capital
- Q.8 Which financial statement reports and financial position of a company at a specific point in time?  
 a) Income statement  
 b) Balance sheet  
 c) Cash Flow Statement  
 d) Statement of Retained Earnings
- Q.9 Which accounting principle requires that assets and liabilities should be initially recorded at their historical cost?  
 a) Matching Principle  
 b) Revenue Recognition Principle  
 c) Cost Principle  
 d) Materiality Principle
- Q.10 The first book of original entry is:  
 a) Journal                  b) Ledger  
 c) Cash book                d) Trial balance

### **SECTION-B**

**Note:** **Objective type questions. All questions are compulsory.** **(10x1=10)**

- Q.11 Accounting is only recording of transactions.  
 (True/False)

- Q.12 Owner of the business is the external user of financial statements. (True/False)
- Q.13 Income is the revenue a business earns by selling its goods or by providing services. (True/False)
- Q.14 Minimum two accounts are affected whenever a transaction takes place in a business organization. (True/False)
- Q.15 Balance sheet indicates the financial status of the business at given period. (True/False)
- Q.16 The cash balance will always equal the retained earnings of a business. (True/False)
- Q.17 The ledger is a chronological listing of all business activities. (True/False)
- Q.18 Direct expenses are entered in P/L account. (True/False)
- Q.19 Land & Building is included in fixed assets. (True/False)
- Q.20 It is easier to detect errors than to fraud. (True/False)

### **SECTION-C**

**Note:** **Short answer type Questions. Attempt any twelve questions out of fifteen Questions.** **(12x5=60)**

- Q.21 Define Accounting. What is the process of accounting?
- Q.22 Discuss the characteristics of Accounting.
- Q.23 What are the limitations of accounting?
- Q.24 What do you mean by the double entry system? Explain its advantages.
- Q.25 What are the advantages of trading accounts?
- Q.26 Define Ledger. Discuss the utility of Ledger.