

- 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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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.