BOARD OF DEPARTMENTAL EXAMINATION, HIMACHAL PRADESH

Departmental Examination For District Treasury Officers & Treasury Officers

April, 2015

Paper-3: Principle of Accounts

Time: 3 Hours | Maximum Marks:100

Note: 1. Attempt any 5 (five) questions including question No.8, which is compulsory.
2. All questions carry equal marks.
3. Attempt all parts of question in consecutive order.
4. Books are not allowed. Use of CALCULATOR is allowed.

1. Explain any five the following accounting concepts: 5X4=20

A. Money Measurement Concept
B. Business Entity Concept
C. Going Concern Concept
D. Realization Concept
E. Cost Concept
F. Accounting Period Concept

2. Differentiate between the following: 5X4=20

A. Fixed Assets & Current Assets
B. Fixed Liabilities & Current Liabilities
C. Trade Discount & Cash Discount
D. Debtor & Insolvent

3. What is a Trial Balance? Explain its objectives. 20

4. Balance as shown by the Bank Pass Book should tally with the balance as shown in the Cash Book." Do you agree? Explain your answer with reasons. 20

5. Explain the different types of errors which may occur in book keeping. State how they affect the Trial Balance. 20

6. Explain 'Straight Line Method' and 'Diminishing Balance Method' of providing depreciation. Briefly discuss merits and demerits of both the methods. 20

7. Explain the meaning of following terms in one line: 2X10=20

a. Capital
b. Insolvent
c. Bad debts
d. Net Assets
e. Depletion
f. Contra Entry
g. Amortization
h. Fictitious Assets
i. Suspense Account
j. Accrual System

(Contd. on Page-2--)

8. From the following particulars, prepare a Bank Reconciliation Statement showing the balance as per cash book as on 31st December, 2014. 20

1. Out of cheques of Rs.9,000/-paid on 29th December, 2014, Rs. 4,000/- appear to have been credited in the pass book on 2nd January, 2015.

2. Out of the Cheques issued in December, 2014 amounting to Rs.16,000/-, cheques for Rs.7,000/- have been cashed in the same month: a cheque for Rs.5000/- was cashed on January 3, 2015 and the rest have not been presented at all.

3. Bank failed to give credit for the cheque for Rs.2000/-deposited in the month of December, 2014.

4. Interest on overdraft for the month of December, 2014 amounting to Rs.1000/- charged on 31st December, 2014 was entered in the cash book on 4th January, 2015.

5. Pass Books shows a credit of Rs.1200/- received in the account being interest on Securities.

6. The bank balance as per pass book showed an overdraft of Rs.19,000/-

— : —