

**BOARD OF DEPARTMENTAL EXAMINATION, HIMACHAL PRADESH.**

**DEPARTMENTAL EXAMINATION FOR EXCISE & TAXATION OFFICERS OF  
EXCISE AND TAXATION DEPARTMENT.**

**APRIL, 2016**

**PAPER-5**

**BOOK KEEPING AND LANDA SCRIPT.**

**Time Allowed: 3 Hours**

**Maximum Marks: 100**

- Note:**
1. Attempt any five questions including question No.7 which is compulsory.
  2. All questions carry equal marks.
  3. Attempt all parts (where given) of the question consecutively.
  4. Books are not allowed.
  5. Use of calculator is allowed.
  6. Avoid cuttings and overwriting.

- Q.No.1. How would you define Single Entry Book Keeping? State in detail the several steps that will have to be taken while preparing a Statement of Affairs from books maintained under Single Entry. 20 marks.
- Q. No. 2. What is double entry system of book-keeping? What are its advantages and disadvantages? 20 marks.
- Q.No.3. It is said that accuracy of the Trial Balance is not an absolute proof of arithmetical accuracy of posting in the ledger. Explain the types of errors that are not disclosed by the Trial Balance. 20 marks.
- Q. No.4. (a) What do you understand by a Reconciliation Statement and how it is prepared?
- (b) From the particulars given below prepare a Bank Reconciliation Statement as on 31<sup>st</sup> March, 2015:
- (i) Balance as per Cash Book=Rs. 8,712
  - (ii) Cheques drawn on 31.01.2015 not presented for encashment till 31.03.2015 Rs. 6,450; Rs.1,550 and Rs.1,852.
  - (iii) Out of the cheques received and deposited into Bank, cheques amounting to Rs. 22,644 and Rs.3,460 not collected by Bank till 31.03.2015
  - (iv) Cheques issued amounting to Rs.6,000 entered in the Cash Book twice.
  - (v) Bill receivable due on 28.02.2015 was sent to the Bank for collection on 27.02.2015 and was entered in the cash book forthwith, but the proceeds were not credited in the Bank Pass book till 31.03.2015 Rs. 5,960.
  - (vi) Cheque deposited on 13.3.2015 dishonoured but the entry to this effect has not made in the Cash Book though intimated by the Bank well in time Rs. 3,780.
- (i) Bank overdraft interest charged by bank on 28.02.2015 not entered in cash book Rs.3,220.
  - (ii) A payment of Rs.800 made by Bank on 31.12.2014 towards water Tax under the standing instructions, not entered in the Cash Book.

(6+14)= 20 marks

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- Q.No.5: (a) Explain the necessity of providing depreciation on assets from year to year.  
(b) Enumerate the different methods of calculating depreciation.

(5+15)=20 marks.

- Q.No.6. Distinguish between:

- (i) **"Trading Account"** and **"Profit and Loss Account"**.  
(ii) **"Receipt and Payment Account"** and **"Income and Expenditure Account"**.  
(iii) **"Balance Sheet"** and **"Trial Balance"**.  
(iv) **"Book Value"** and **"Residual Value"**.

(5+5+5+5)=20 marks.

- Q.No.7: From the following Trial Balance as on 31.03.2015 and additional information given at the end of Trial Balance, you are required to prepare the final account (Income and Expenditure Account and Balance Sheet) as on 31.03.2015 of M/S. Royal Sports Cub.

Sr. No.	Particulars	Dr. (Rupees)	Cr. (Rupees)
1	Building	4,50,000	-
2	Capital Fund	0	3,47,400
3	Sports Equipment (as on 01.04.2014)	20,000	-
4	Sports Equipment added during the year	10,000	--
5	Printing and Stationery	6,000	--
6	Billiards Table	1,04,000	--
7	Billiards Room Expenses	21,350	--
8	Arrears of Subscription as on 01.04.2014	22,500	--
9	Honorarium	33,750	-
10	Administration Expenses	68,450	--
11	Stock of Provisions as on 31.03.2015	3,000	--
12	Cash in Hand and Bank	31,350	--
13	Rent	-	37,000
14	Sale of Tickets	-	67,000
15	Subscription	-	1,21,500
16	Billiards Room Receipt	-	38,450
17	Profit on sale of Provisions	-	12,000
18	Entertainment Programme Receipts	--	16,000
19	Donations	-	85,000
20	Newspaper receipts	-	1,200
21	Entrance Fees	-	2,250
22	Creditors	-	31,350
23	Subscription received in advance	-	11,250
	<b>Total</b>	<b>7,70,400</b>	<b>7,70,400</b>

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1. Stock of stationery as on 31.03.2015 was Rs.650.
2. Entrance fee is to be capitalised.
3. Arrears of subscription as on 01.04.2014 were fully recovered during the year.
4. Arrears of subscription as on 31.03.2015 were Rs. 11,250.
5. Out of the donation, Rs. 36,000 represented donations to the Election fund of the club and of the balance, half the amount is to be capitalised.
6. Depreciation is to be provided on sports equipment (including additions) at the rate of 20 percent each year.

20 marks.

Q.No.8.

- (a) What is Suspense Account? Is it true that Suspense Account is always balanced off after rectification of errors detected by the Accountant? If not, what happens to the balance still remaining in Suspense Account?
- (b) Why is the distinction between Capital and Revenue of great importance in Book-Keeping? Give some examples of Revenue Expenditure becoming under certain circumstances "**Capital Expenditure**".

(10+10)= 20 marks.