

BOARD OF DEPARTMENTAL EXAMINATION HIMACHAL PRADESH
DEPARTMENTAL EXAMINATION FOR DISTRICT TREASURY OFFICERS/TREASURY OFFICERS.
JUNE, 2018

PAPER 3: PRINCIPLES OF ACCOUNTS (WITHOUT BOOKS)

TIME ALLOWED: 3 HOURS

MAXIMUM MARKS: 100

Notes:

- i) Attempt any five questions & books are not allowed.
- ii) Indicate the same question number & its part as assigned in the question number while answering the same.
- iii) All parts of question should be attempted consecutively.
- iv) Marks are indicated against each question.
- v) Use of simple calculator is allowed.

Q. No. 1 What are Accounting Concepts and Conventions? Is there any difference between them? Explain in detail. (20)

Q. No. 2 "Accounting is the art of recording, classifying and summarizing, in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character and interpreting the results thereof". In the light of this statement explain the meaning of Accounting and also clearly elaborate the difference between Book keeping and Accounting. (20)

Q. No. 3 What do you mean by 'Depreciation'? What are various causes of depreciation? Explain in detail the various methods of determining the amount of Depreciation in the preparation of Final Accounts of a Company/Firm? (20)

Q. No. 4 From the following information, prepare Bank Reconciliation Statement as on 31st May, 2018:

Cash Book of Mr. S. Ram					
Dr.			Cr.		
(Bank Columns only)					
Date May	Particulars	Amount ₹	Date May	Particulars	Amount ₹
1 st	To Balance b/fd	7,000	5 th	By Drawings	5,000
5 th	A. Lal	4,000	8 th	Interest	150
10 th	B. Kumar	10,000	10 th	Cheque Book	100
17 th	C. Singh	13,000	15 th	Salaries	3,500
25 th	D. Lal	4,000	17 th	A. Singh	4,000
31 st	E. Kumar	1,900	21 st	B. & Co.	5,000
			25 th	C. & Sons	7,000
			30 th	D. & Co	1,000
			31 st	Balance c/fd	14,150
		39,900			39,900

Bank Pass Book					
Dr.			Cr.		
(Bank in Account with Mr. S. Ram)					
Date May	Particulars	Amount ₹	Date May	Particulars	Amount ₹
1 st	To Balance b/fd	7,000	5 th	By Drawings	5,000
8 th	A. Lal	4,000	8 th	Interest	150
15 th	B. Kumar	10,000	10 th	Cheque Book	100
24 th	C. Singh	13,000	15 th	Salaries	3,500
28 th	Int. on Investment	1,200	22 nd	A. Singh	4,000
30 th	Rent	300	29 th	B. & Co.	5,000
31 st	F. Mal	800	31 st	Bank Charges	32
			31 st	Electricity Charges	78
			31 st	Balance c/fd	18,440
		36,300			36,300

(20)

P.T.O.

Q. No. 5 (a) What are Personal, Nominal & Real Accounts? Explain the various forms/types of each.

(b) Classify the following into personal, real and nominal accounts:- Stationery Account, Depreciation Account, Cash Account, Bank Current Account, Goodwill Account, Interest Account, Capital Account, Bank Loan Account, Patents and Trade Marks Account and Account of Ravi, a customer. **(10+10)**

Q. No. 6 (a) What are Capital and Revenue Expenditure and Receipts? Distinguish between Capital And Revenue Expenditure.

(b) R. K. Ltd., for which you are the Accounts Manager, has removed the works factory to a more suitable site. During the removal process the following stream of expenditure were incurred:

i) A sum of ₹ 47,500 was spent on dismantling, removing and reinstalling plant, machinery and fixtures.

ii) The removal of stock from old works to new works cost ₹ 5,000.

iii) Plant and machinery which stood in books at ₹ 7,50,000 included a machine at a book value of ₹ 15,000. This being obsolete was sold off for ₹ 5,000 and was replaced by a new machine which costs ₹ 24,000.

iv) The fixtures and furniture appeared in the books at ₹ 75,000. Of these, some portion of the book value of ₹ 15,000 was discarded and sold off for ₹ 16,000 and new furniture of the value of ₹ 12,000 was acquired.

v) A sum of ₹ 11,000 was spent on painting the new factory.

Your accounts clerk has come to you seeking your help to classify the above expenditure as to capital expenditure and revenue expenditure. Advise him.

(10+10)

Q. No. 7 (a) What is the Difference between Journal and Ledger? Explain in brief the rules for posting & balancing of Ledger Accounts.

(b) What is the difference between 'Receipt & Payment Account' and 'Income & Expenditure Account'? How 'Income & Expenditure Account' is prepared from 'Receipt & Payment Account'? **(10+10)**

Q. No. 8 Attempt the following:

(i) What are the rules of debit and credit?

(i) How and why closing entries are made?

(ii) What is the significance of trial balance?

(iii) Why are adjustment entries necessary?

(5+5+5+5)