

BOARD OF DEPARTMENTAL EXAMINATION, H.P.
DEPARTMENTAL EXAMINATION OF EXCISE AND TAXATION INSPECTORS OF
EXCISE AND TAXATION DEPARTMENT, APRIL, 2013
PAPER: 5 BOOK KEEPING & GENERAL COMMERCIAL KNOWLEDGE

PAPER: 5
Time: Three hours

Maximum Marks: 100

- Note:**
1. Attempt any five questions including question No.1, which is compulsory.
 2. Attempt all parts of question in consecutive order.
 - 3 Use of calculator allowed.

Q.No.1 From the following Trial Balance extracted from the books of Mr. X, prepare Trading and Profit and Loss Account for the year ended 31st December, 2012 and balance sheet as on that date.

TRIAL BALANCE

Particulars	Rs.	Particulars	Rs.
Cash in hand	1,080	Capital	1,42,000
Cash at Bank	5,260	Sales	1,97,560
Purchases	81,350	Returns	1,000
General expenses	6,000	Creditors	12,600
Insurance	1,200		
Drawings	10,490		
Debtors	29,000		
Returns	1,360		
Wages	20,960		
Fuel and power	9,460		
Carriage on sales	6400		
Carriage on purchases	4,080		
Opening Stocks	11,520		
Building	60,000		
Investment	20,000		
Machinery	40,000		
Salaries	30,000		
Patents	15,000		
	3,53,160		3,53,160

Adjustments:

- a. Closing stock on 31.12.2012 Rs.15,000
- b. Salaries for the month of December, 2012 Rs.3,000 unpaid.
- c. Insurance includes Rs.170 for next year.
- d. Interest on Investment @10% for full year earned but not received.

(20 Marks)

Q.No.2 Differentiate between "Receipt and Payment Account" and "income and Expenditure Accounts"? How would you convert "Receipt and Payment Account" into "income and Expenditure Accounts"?

(20 Marks)

Q.No.3 Rectify the following errors by passing necessary entries:

- a. Purchase of goods worth Rs.4000 from Mohan was wrongly credited to Sohan.
- b. Old machinery was sold for Rs. 20,000 and the amount thereof was wrongly posted to Sales account.
- c. Rs 2500 paid spent for repairs to machinery were debited to machinery account.
- d. Rs 2500 paid to Ram wrongly debited to Shyam's account.
- e. Goods sold to Rajan for Rs.5000 have been entered in the purchase book.

(20 Marks)

Q.No.4 Describe the following:

- a. Contra entries
- b. Credit Note
- c. Accrual accounting
- d. Contingent liability
- e. Landa script

(20 Marks)

Q.No.5 Differentiate between the following:

- a. Tangible assets and Intangible assets
- b. Fixed liabilities and Current liabilities
- c. Cash Discount and Trade Discount
- d. Revenue expenditure and Deferred Revenue Expenditure
- e. Advance payment of VAT & Outstanding payment of VAT

(20 Marks)

Q.No.6 What do you understand by the Written down value of an asset. Also differentiate between Straight line method and Diminishing method of charging depreciation.

(20 Marks)

Q.No.7 The Cash Book of Mr. Gadbadwala shows Rs. 8,364 as the balance at the bank as on 31st December,2012,but you find this does not agree with the balance as per the bank passbook. On scrutiny, you find the following discrepancies:

- a. On 1st Dec, the payments side of the cashbook was under cast by Rs.100
- b. A cheque of Rs.131,issued on 25th Dec, was not taken in the bank column.
- c. One deposit of Rs.150 was recorded in the cashbook as if there is no bank column therein.
- d. On 18th Dec, the debit balance of Rs.1,526 as on the previous day, was brought forward as credit balance.
- e. Of the total cheques, amounting to Rs. 11,514, drawn in the last week of December, cheques aggregating to R. 7,815, were encased in Dec.
- f. Dividend of Rs.250, collected by bank and, subscription of Rs ,100, paid by it, were not recorded in the cashbook.
- g. One out-going cheque of Rs.350 was recorded twice in the cashbook.

Prepare a bank reconciliation statement.

(20 Marks)