

**BOARD OF DEPARTMENTAL EXAMINATION
HIMACHAL PRADESH, FAIRLAWNS, SHIMLA-171002
Session- AUGUST, 2005**

Paper- 5 Book keeping and general commercial knowledge for ETIs

Time Allowed: 3 Hours

Max.Marks: 100

Note: 1.Attempt any five questions.

- 2.All questions except Q.No.1 carry marks.
- 3.Q.No.1 is compulsory which carry 28 marks.
- 4.Books are not allowed in the examination Hall.
- 5.Use of calculator is allowed in the examination.
- 6.Cutting and erasers should be avoid.

Q.No.1 Form the following Trial balance, prepare TRADING, PFOFIT AND LOSS ACCOUNT ABD BALANCE SHEET as on 31-3-2005:-

	Dr.balance	Cr.balance
1.Plant and machinery	50,000	-
2.Fixture and fittings	6,000	-
3.Loose tools	10,000	-
4.Cash at Bank	10,000	-
5.Cash in hand	2,000	-
6.Stock (1-4-2004)	6,000	-
7.Purchases	1,10,000	-
8.Sales return	4,000	-
9.Wages	40,000	-
10.Carriage inwards	16,000	-
11.Salaries	20,800	-
12.General expanses & insurance	36,000	-
13.Rent and taxes	7,200	-
14.Manohar Singh	1,000	-
15.Sundry debtors	24,000	-
16.Packing and distribution charges	3,000	-
17.Postage and telegram	3,000	-
18.Mr.Sohan Singh	-	10,000
19.Provisions for bad debts	-	1,000
20.Sundry creditions	-	12,000
21.Capital	-	88,000
22.Sales	-	2,34,000
23.purchases return	-	2,000
24.Discount received	-	3,000
25.Rashmi's drawings	1,000	-
	3,50,000	3,50,000

The following adjustment should be taken into account:-

- a. Stocks as 31st March,2005 was valued at Rs. 15,400
- b. Provide depreciation @ on P&F and loose tools are revalued at Rs.8000/-
- c. Make provisions for bad and doubtful debts @5 % debtors.
- d. Mr.Rashmi withdrew Rs.400/- PM and charged to the salary account.
- e. Remuneration of Rs. 1,000 paid t Mr. Mohan Singh a temporarily employee stand debited to his personal name.
- f. Unpaid insurance Rs.200/-
- g. Goods of Rs.2000 were received on 29th March,2005 but purchase invoice was omitted to be recorded in purchase book.

(28)

Q.No.2 What is Double Entry system of account? How does it differ from the Single Entry system of Account? Describe the Principles of Double Entry System of Accounts with example. (18)

Q.No.3 Briefly describe the following:-

- (i) Current of Floating Liabilities
- (ii) Trade Discount
- (iii) Suspense Account
- (iv) Drawings
- (v) Goodwill
- (vi) Real Account
- (vii) Depreciation
- (viii) Relation between Journal and Ledger

(18)

Q.No.4 (a) The following Trial balance has been prepared wrongly. You are required to Prepare the Trial balance correctly.

1.	Cash in hand	-	2,000
2.	Purchase in return	4,000	-
3.	Wages	8,000	-
4.	Establishment expenses	12,000	-
5.	Sales return	-	8,000
6.	Capital outward	22,000	-
7.	Carriage outward	-	2,000
8.	Discount received	1,200	-
9.	Commissioned earned	800	-
10.	Machinery	-	20,000
11.	Stocks	-	10,000
12.	Debtors	8,000	-
13.	Creditors	-	12,000

Contd/p-3

14.	Sales	-	44,000
15.	Purchases	28,000	-
16.	Bank over Draft	14,000	-
17.	Manufacturing expenses	-	14,000
18.	Loan form Ashok	14,000	-
19.	Carriage inward	1,000	-
20.	Interest on invest	-	1,000
	Totaal =	1,13,000.00	1,13,000.00

(10)

(b) Is Trial Balance a conclusive proof of the accuracy of Accounts? Mention the errors not disclosed by the Trial Balance even on its agreement.

(8)

Q.No.5 Journalise the followeing:-

- a) Salary due for January, 2005 Rs. 2000/- not paid yet.
- b) Depreciation on machinery is due to be provided @ 10 % on total machinery worth Rs. 80,000/-
- c) Goods withdrawan by proprietor for domestic use Rs.1500/-
- d) Interest on capitals be allowed at 5% on Rs. 1,00,000/-
- e) Goods, cost Rs. 500, selling price Rs. 600/- sent on approval wrongly treated as sale.
- f) Insurance premium has been prepared Rs. 250/-
- g) Out of commission received Rs. 10,000 one fourth has been received for services to be rendered.
- h) Goods worth Rs. 5,000/- destroyed by fire, no entry was passed in Books, goods were not insured.

(18)

Q.No.6 From the following particulars prepare a Bank

Reconciliation Statement of M/S Alfa Electric Motors Pvt. Ltd. As on 31 st March, 2005.

- (i) Over Draft on 31 st march, 2005 as per Pass Book Rs. 10,000/-
- (ii) Cheques deposited in the Bank but not recorded in Cash Book Rs. 100/-
- (iii) Cheques received and recorded in Bank Column but not sent to bank for collection Rs.1000/-
- (iv) Cheques totaling Rs.15,000/- were drawn in the last week of March, out of these only Rs.9000/- were cashed before 31 st March.
- (v) Similarly cheques totaling Rs. 9,000/- were sent for collection out of which cheques of the value of Rs. 1,500/- were credited in 5th April Rs.2000/- on 7th April and balance were credited before 31 st March 2005.
- (vi) In 11th of March the credit side of the Bank column of the Cash Book was cast Rs.1,000/- short and the credit balance of Rs. 2,600/- on 15th

March,2005 was brought forward on 16 th march, 2005 as debit balance of Rs.2,600/-

- (vii) Fee of Rs. 250/- were paid directly by the Bank but were not recorded in the Cash Book.
- (viii) In the Cash Book charges of Rs. 30/- was recorded twice while another bank charges of Rs. 50/- was not recorded at all.
- (ix) Interest of Rs. 1,400/- was charged by the bank but not recorded in the Cash Book.

(18)

Q.No.7 (a) What is landa script? Write basics of landa script is landa script useful in Present days of Accounting System and helpful in tax evasion cases?

(6)

(b) Difference between Capital Expenditure and Revenue Expenditure (4)

© Characteristics of Bills of Exchange and Promissory Notes. (4)

(d) Difference between Receipt and Payment Account and Income and Expenditure Account. (4)
