

**H.P.BOARD OF DEPARTMENTAL EXAMINATION
DEPARTMENTAL EXAMINATIONS OF EXCISE AND TAXATION
INSPECTORS OF HIMACHAL PRADESH SESSION, MAY- JUNE, 2009**

PAPER-5 (BOOK KEEPING AND GENREAL COMMERCIAL KNOWLEDGE)

Timed Allowed: 3 Hours.

Maximum Marks: 100

Note:- (i) Attempt any five questions including Q.No. 9 which is compulsory.

(ii) Books are not allowed.

(iii) Use of calculator is allowed.

(iv) Avoid cutting and overwriting otherwise marks can be deducted.

Q.No. 1 What do you understand by bill of exchange by bill of exchange? What are Essential requirements of bill of exchange? Describe kinds of and advantages Of bill of exchange. **(15 marks)**

Q.No.2 What are the Principals of double Entry system of accounting? Explain in Detail with suitable financial entries and examples. **(15 marks)**

Q.No.3 What is Trial Balance? How and why it is prepared? Describe the errors Disclosed by Trial Balance. **(15 marks)**

Q.No.4 a) M/S Deep and Coy. Ltd purchased a Machinery on 1st April, 2006 for Rs. 75, 000/- and spent Rs. 5, 000/- on its cartage and Rs. 11,000/- on its erection. Show the machinery Account and depreciation account for the first three years By charging depreciation on straight line method @ 10% PA on original cost. The Accounts are closed every year on 31st March. **(10 marks)**

b) What is Landa Script? How for this language is useful in the present days in financial accounting? This language is used as a tool for the evasion of tax by some of the traders, comment. **(5 marks)**

Q.No.5 Write short notes on:-

(i) Amortization of Fictitious/ Tangible Assets.

(ii) Bills receivables and payables.

(iii) Money measurement concept.

(iv) Outstanding and Pre- paid expenses.

(v) Voucher.

(vi) Loss on sale of Fixed assets.

(vii) Capital and Revenue Expenditure.

(viii) Principal of Matching Revenue with Expenses.

(ix) Diminishing balance method of depreciation.

(x) Difference between Reserves and Provisions.

(10 x 1/2 = 15 marks)

Q.No.6 Prepare a Cash Book with Cash and Bank columns from the following Transactions of March, 2009

March, 2009	Transaction	Amount
1	Cash Balance	15,000
1	Bank Balance	56,000
3	Paid rent by cheque	10,500
6	Paid to Shyam in cash	20,950
11	Cheque issued to Mohan	15,000
12	Shama's Cheque dishonored	8,000
18	Withdraw from Bank for office use	12,000
20	Purchase goods for cash	35,000
22	Paid Telephone bill	2,500
24	Sold goods for cash	43,500
26	Withdrew from bank for domestic use	12,000
28	Bank Charges	1,100
29	Cheque received from Rajeev deposited in the Bank	32,000
30	Cash deposited in the Bank	8,000
30	Paid Wages	12,100

(15 marks)

Q.No.7 a) Journalise the following transaction:-

Month April, 2009	Transactions
1	Mr. Verma started a business with Cash Rs. 9,000/- Furniture Rs.7,000/- and Building Rs. 11, 000/-
1	Cash purchases Rs. 18,000/-
2	Goods purchased from Ram Lal Rs. 12,000/-
6	Goods sold t Mr. Goldi Rs. 6,000/-
8	Goods returned to Rohit Ram lal Rs. 1200/-
10	Goods Given away as charity Rs. 1300/-
15	Goods returned to Goldi Rs.1200/-
17	Goods lost by fire Rs. 400/-
20	Goods given away as sample Rs. 350/-

(10 marks)

b) What is the treatment of following account in the Final Account?

- (i) Suspense Account
- (ii) Goodwill
- (iii) Wages and salary
- (iv) Travelling Expenses
- (v) Rent received

(5 marks)

Q.No.8 a) What do you understand by Bank Reconciliation? Why it is prepared? **(5 marks)**

b) Prepare Bank Reconciliation statement of Shri Geeta Kumar as 31st march, 2009 from the following information:- **(10 marks)**

Sr.No.	Transactions
1	Balances as per Pass Book Rs. 11, 050
2	Bank collected a Cheque of Rs.2500 on behalf of Shri Krishan but wrongly Credited it to Shri Krishna's Account another customer
3	Bank record a cash deposit of Rs. 7, 589/- as 7, 598/-
4	Withdrawl column of Pass Book under cast by Rs.100/-
5	The Credit balance of Rs 3, 500/- as on Page 10 of the Pass Book was recorded on page 11 as a debit balance
6	The payment of a Cheque of Rs.22,350/- was recorded twice in the pass Book
7	The pass Book showed a Credit for a Cheque of Rs. 1,000/- deposited by Krishan antoher customer of the Bank.
8	Dividend directly collected by the Bank Rs. 234/-

Q.No.9 From the following Ledger balances you are required to prepare. Trial balance, Trading, Profit and Loss Account for the year ending 31st March, 2009 and Balance Sheet as that date:- (Compulsory question)

Sr.No.	Ledger balance	Amount	Sr.No.	Ledger Balance	Amount
1	Capital	80,000	18	Sales	70,000
2	Goodwill	8,000	19	Bad debts provision	400
3	Loan from A taken on 1 st July, 2008 @ PA	10,000	20.	Sales return	1,500
4	Freehold land and buildings	30,000	21	Misc. expenses	150
5	Plant and Machinery	28,000	22	Sale of old newspaper	50
6	Furniture	5,000	23	Advertisement expenses	5,000
7	Opening Stock	12,000	24	Discount received	700
8	Purchases	45,000	25	Office expenses	1,800
9	Purchase return	2,000	26	Trade discount on purchases	1,000
10.	Wages	4,000	27	Free distribution of samples	500
11	Debtors	18,000	28	Carriage inward	1,200
12	Bad Debts	5,00	29	Investment in share	2,000
13	Salaries	7,000	30	Drawings	400
14	Rent	2,000	31	Dividend on shares	300
15.	Cash in hand	4,800	32	Delivery charges	600
16	Audit Fees	1,200	33	Books	5,000
17	Interest on loan	500	34	Creditors	19,700

Additional information:-

- Stock on 31st March, 2009 was Rs. 20,000.
- Maintain a Provision of 5% on Debtors.
- Rs. 1,000 paid as arrears of salary to a clerk were debited to his personal account and including in the list of debtors.
- Provide depreciation on P& M @ 10% P.a. on Furniture and Books @ 15%.
- Rs. 4,000 of advertising expenses are to be carried forward to next year.
- During the year goods worth Rs.300 were withdrawn for personal use of the proprietor.

(7 + 7 + 13 + 13 = 40 marks)
