

**H.P.BOARD OF DEPARTMENTAL EXAMINATION
DEPARTMENTAL EXAMINATION FOR EXCISE & TAXATION
INSPE6CTORS OF HIMACHAL PRADESH SESSION NOVEMBER, 2009**

PAPER-5 (BOOK KEEPING AND GENERAL COMMERCIAL KNOWLEDGE)

Time Allowed: 3 Hours

Maximum Marks:100

- Note:-** 1) Attempt FIVE questions including A.No.1 & 2 which are compulsory.
2) Attempt all parts of question in consecutive order.
3) No books are allowed.
4) Avoid overwritings and cutting
5) Use of calculator is allowed.

Q.No.1 From the following balances prepare Trading and Profit & Loss Account and Balance Sheet as at 31st December, 2008.

| | | | |
|-------------------------------------|-----------|---------------------|-----------|
| Plant & Mach. | 10,000.00 | Purchases | 85,500.00 |
| Sales | 144800.00 | Rent and Insurance | 9950.00 |
| Debtors | 7300.00 | Drawings | 2500.00 |
| Capital Account | 20500.00 | Carriage Inwards | 750.00 |
| Creditors (trade) | 15000.00 | Wages (Mfg.) | 11,500.00 |
| Crreditors (Expenses) | 3400.00 | Power | 4,500.00 |
| Purchases Return | 2000.00 | Salaries/ Wages | 17200.00 |
| Bad Debts Reserve Ist January, 2008 | 300.00 | Discount Received | 900.00 |
| Advertising Deptt. | 4000.00 | General Charges | 4300.00 |
| Goodwill | 2500.00 | Sales Returns | 300.00 |
| Travellers samples | 1350.00 | Travellers Comm. | 1445.00 |
| Stock on Ist Jan/08 | 16000.00 | Travellers Salaries | 4550.00 |
| Cash at Bank | 1000.00 | Discount allowed | 2500.00 |
| Cash in hand | 55.00 | | |
| Advertising Deptt. | 4000.00 | | |

Additional Information:-

Depreciate Plant and Machinery by 10% and Travellers Samples by 33 1/3 Increase the Bad Debts Reserve to Rs. 1,000.00 Write 50% off Advertising Development Account. Annual premium on insurance expiring Ist march Rs. 600. The closing stock was Rs. 11500/-, but there has been a loss by fire ono December, 20th 2008 to the extent of Rs. 10,000 not covered by insurance. **(35 Marks)**

Q.No.2 a) What useful purpose is served by Bank Reconciliation Statement and how is it Prepared? **(5 Marks)**

- b) From the following particulars, prepare a Bank Reconciliation Statement showing the balance as per Bank Pass Book on 31st Decesmber, 2007. The following cheques were paid into firmm's current Account in December, 2007, but were credited by the Bank in January, 2008. A Sharma, Rs.250/-, BGupta, Rs.300/- and C Chauhan, Rs.240/-. The following cheques were issued by the Firm December, 2007 but were cashed in January, 2008. M Blue, Rs.300/- ; N White Rs. 500/- and C Black, Rs.300/- A Cheque for Rs.100/- which was Received from a customer was entered in the Bank Column of the cash Book in December, 2007, but the same was paid into Bank in January, 2008. The Pass Book shows a credit of Rs. 250/- for interest and a debit of Rs.50 for Bank charges. The bank balances as per cash book was Rs. 18,000/- on December, 2007. **(15 Marks)**
- Q.No.3 Explain the fundamental principles of Double- Entry System of Book keeping And how is it different from single entry system of Book –keeping. Enumerate The disadvantages of Single Entry Book Keeping. **(15 Marks)**
- Q.No.4 Explain fully what you understand by a Trial Balance.How is a Trial Balance Prepared? What errors are not disclosed by Trial Balance **(15 Marks)**
- Q.No.5 What books of Accounts must be kept by Company under the Companies Act, 1956? State the consequences of default in this respect. **(15 Marks)**
- Q.No.6 Write a detailed note on the construction of Trading Account and Profit and Loss Account. What are th important points must be carefully noted for the Construction of an accurate Trading and Profit and Loss Account. **(15 Marks)**
- Q.No.7 What is depreciation? Enumerate the different methods of providing for Depreciation and explain in detail any two from the following:- Reducing Balance Method, Annuity system or Depreciation Fund System. **(15 Marks)**
- Q.No.8 What are different types of reserves and how are these are created? What do You understand by secret reserve? Why is it prohibited? **(15 Marks)**
