

H.P. BOARD OF DEPARTMENTAL EXAMINATION
DEPARTMENTAL EXAMINATION OF EXCISE AND TAXATION INSPECTORS(ETI)
OF EXCISE AND TAXATION DEPARTMENT

OCTOBER/2010

PAPER-5 (Book keeping and general commercial knowledge) Max. Marks: 100

Time Allowed: 3 hours

Note: i) Attempt Five Questions and Q.No.1 is compulsory.

ii) All Questions carry equal marks

iii) Avoid overwriting and cuttings

vi) No Books are allowed.

Q.No.1. From the following balances prepare Trading Account, Profit & Loss Account and Balance Sheet as at 31st March, 2010:-

S.No.	Ledger Balance	Amount	S.No.	Ledger Balance	Amount
1.	Capital	20,500	15.	Drawings	2,500
2.	Creditors	15,000	16.	Purchases	85,500
3.	Trade Expenses	3,400	17.	Carriage Inwards	750
4.	Rent Received	300	18.	Manufacture-Wages	11,500
5.	Purchase Return	2,000	19.	Power	4,500
6.	Sales	1,44,800	20.	Rent & Insurance	9,950
7.	Bad Debt Reserve	300	21.	Salaries	17,200
8.	Advertising Dev. Account	4,000	22.	Discount Received	900
9.	Goodwill	2,500	23.	General Charges	4,300
10.	Plant & Machinery	10,000	24.	Sales Returns	300
11.	Traveller's Samples.	1,350	25.	Commission	4,550
12.	Opening Stock	16,000	26.	Discount Allowed	2,500
13.	Debtors	7,300	27.	Insurance	1,445
14.	Cash at Bank	1,000	28.	Cash in hand	55

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Additional Information:

The closing stock was Rs.11,500, but there has been a loss by fire on March 20th, 2010, to the extent of Rs.10,000, not covered by insurance. Depreciate Plant and Machinery by 10%. Increase the Bad Debts Reserve to Rs.1,000. Write off 50% of Advertising Development Account. Annual premium on insurance expiring 1st July, 2010 was Rs.600. Depreciate Traveller's Samples by 33-1/3rd %.

(20)

Q.No.2. From the following particulars, ascertain the Bank Balance as should appear in the Pass Book of M/s XYZ as at 31st March, 2008:

i) Bank Overdraft as per Cash Book on 31st March, 2008 was Rs. 6000.

ii) Interest on overdraft for six months ending 31st March, 2008, is Rs.200 is debited in the pass book.

iii) Bank charges for the above period also debited in the Pass Book amount to Rs.50.

iv) Cheques issued, but not cashed prior to 31st March, 2008 amounted to Rs.1,500.

v) Cheques paid into Bank, but not cleared and credited before 31st March, 2008 were for Rs.2,500.

vi) Interest on Investments collected by the Bankers and credited in the Pass Book amounted to Rs.1,800.

(20)

Q.No.3. Write a detailed note on preparation of Profit and Loss Account and Balance Sheet and its object and utility for different purposes. (10+10)

Q.No.4. What are the principles of double entry system of book keeping and what are its advantages? Give suitable examples. (10+10)

Q.No.5. (a) What are different factors to be taken into consideration for measuring the extent of depreciation?

(b) Discuss in detail the Depreciation Fund Method and Insurance Policy System of providing for depreciation on assets. (10+10)

Q.No.6. What objects are served by preparation of Trial Balance? Describe the classes of errors which do not affect the Trial Balance. (8+12)

Q.No.7. Explain in detail the procedure followed in preparation of Receipt and Payment Account and Income and Expenditure Account. Also highlight the points of difference between the two accounts. (10+10)

Q.No.8. Define the term Secret Reserves and how these are created? What are the advantages of secret Reserves and what are the dangers of Secret Reserve?

(20)
