

**BOARD OF DEPARTMENTAL EXAMINATION, HIMACHAL PRADESH**  
**DEPARTMENTAL EXAMINATION OCTOBER, 2015.**  
**(FOR DISTRICT TREASURY OFFICERS & TREASURY OFFICERS)**

**PAPER -3: Rules and Acts (Principles of Accounts)**

**Time Allowed : 3 hours**

**Maximum Marks: 100**

- Notes:** i) Attempt any five questions. Question No.5 is compulsory.  
 ii) All questions carry equal marks .  
 iii) No books are allowed.  
 iv) Use of Calculator is permitted  
 v) Attempt all parts(where given) of the question consecutively.  
 vi) Avoid cuttings & overwriting.

- Q.No.1:-** a) Explain the terms 'Single Entry System' and 'Double Entry System' of Accounting; (10)  
 b) What are the advantages of 'Double Entry System'. (10)

- Q.No.2:-** Explain the following Accounting Conventions used in Double Entry Accounting System on accrual basis;  
 a. Convention of Disclosure;  
 b. Convention of Materiality;  
 c. Convention of Consistency; and  
 d. Convention of Conservatism. (5x4=20)

- Q.No.3:-** Explain the following terms:-  
 a. Accounting Principle;  
 b. Accounting Standards;  
 c. Accrued and Due;  
 d. Accrued But Not Due;  
 e. Amortization ;  
 f. Capitalizations;  
 g. Personal Accounts;  
 h. Impersonal Accounts;  
 i. Real or Property Accounts  
 j. Nominal or Fictitious Accounts (2x10=20)

- Q.No.4 :-** A) Distinguish between Cash Discount and Trade Discount;  
 B) Explain the terms;  
 a) Errors of omission b) Compensating Errors and c) Errors of Principle  
 C) Explain; **The Drawee, The Drawer and The Payee.**  
 D) Define; a) Fixed Assets and b) Floating Assets. (5x4=20)

- Q.No.5:-** a) The Balance shown by the Pass Book should agree with the Bank balance shown by the Cash Book. However, often there is a difference, even if there is no mistake. State the

various reasons for this difference.

(10)

- b) On 31<sup>st</sup> March 2014 Pass Book of XYZ showed a balance of Rs.9500/- to their credit. On that date the concern had issued cheques amounting to Rs.2750 of which cheques amounting to Rs.1850 have so far been presented for payment. A Cheque for Rs.1300 paid by the Firm into the Bank on 28<sup>th</sup> March is not yet credited in the Pass Book. The Firm had also received a Cheque for Rs.140, which although entered in the Bank Column of Cash Book omitted to be paid in the Bank. On 31<sup>st</sup> March a Cheque for Rs.275 received by the Firm was paid into the Bank but was omitted to be entered in the Cash Book. There was a credit of Rs.125 for interest in the Pass Book and a debit of Rs.120 for Bank Charges. Draw up a Bank Reconciliation Statement showing adjustments between the Cash Book and the Bank Pass Book of the Firm. (10)

**Q.No.6:- a) Distinguish between a Receipts and Payments Accounts and an Income and Expenditure Account.**

(10)

**b) What are Fixed and Floating Assets and Fixed and Floating Liabilities ?**

(10)

**Q.No.7:- a) Distinguish between a Profit and loss Account and a Balance Sheet.**

(10)

**b) Define; a) Endorsment, b) Endorser and c) Endorsee;**

(10)

**Q.No.8:- Discuss the Rules of Debit and Credit for following categories of Accounts:**

a) Assets Accounts;

b) Liabilities Accounts;

c) Capital Account or Owner's Equity Account;

d) Revenue or Income Accounts;

e) Losses or Expenses Accounts.

(4x5=20)