

H.P. BOARD OF DEPARTMENTAL EXAMINATION

DEPARTMENTAL EXAMINATION FOR OFFICERS OF COOPERATIVE
DEPARTMENT

SESSION -APRIL, 2016
PAPER-5 Book Keeping and Accounts

Time Allowed: 3 Hours

Maximum Marks: 100

Notes:

- i) Attempt five questions. Question No. 1 is compulsory.
- ii) All questions carry equal marks.
- iii) No books are allowed.
- iv) Use of calculator is allowed.
- v) Indicate the same question number and its part as assigned in the question paper while answering the same.
- vi) Avoid cuttings and overwriting.

Q.No. 1 The Trial Balance of Subhash Traders as on December 31, 2015 was as under:

Name of the Account	Dr. Rs.	Cr. Rs.
Capital		1,10,000
Drawings	15,000	
Gross Profit earned during 2015		32,400
Salaries and Wages	22,000	
Rent and Taxes	8,400	
Cash in Hand	2,300	
Bank overdraft		8,600
Sundry Debtors and Creditors	41,000	36,000
Insurance (including premium of Rs. 400 per annum paid up to March 31, 2016)	1,000	
Loose Tools	5,000	
Bad Debts	500	
Provision for Bad Debts		800
Entertainment Expenses	300	
Commission		2,100
General Charges	2,600	
Furniture and Fixtures	12,000	
Plant and Machinery	60,000	
Stock on December 31, 2015	19,800	
	1,89,900	1,89,900

Prepare Profit and Loss Account for the year ended December 31, 2015 and Balance Sheet on that date, after keeping in view the following adjustments:

1. Depreciate Furniture and Fixtures by 5% and Plant and Machinery by 10%.
2. The value of Loose Tools on December 31, 2015 was Rs. 4,500.
3. Outstanding salaries Rs. 2,000.
4. Commission earned but not received amounted to Rs. 400.
5. Write off further bad debts Rs. 1,000 and maintain the provision for bad debts at 5% on Sundry Debtors.

(20 Marks)

Q.No. 2 What is the difference between Book keeping & Accounting? (20 Marks)

Q.No.3 Explain the following in clear terms with examples:-

- (i) What is difference between "Gross Profit" and "Net Profit".
- (ii) What is "Accounting Voucher"?
- (iii) Why Journal is called "Book of original entry".
- (iv) "Reserves & Provisions.
- (v) What is the difference between "Trade Discount" and "Cash discount".

(4X5=20 Marks)

Q.No. 4 On Dec, 31, 2015, the cash book of a trader shows the bank balance to be Rs.5090.

The cheques sent to bank but not collected and credited amounted to Rs.790 whereas three cheques for Rs.300, Rs.150 and Rs.200 respectively, issued to customers were not presented for payment.

The bank had paid a bills payable amounting to Rs.1000. A bills receivable of Rs.500 which was discounted with the bank was dishonoured. The pass book showed that the bank has charged Rs.12 as its remuneration for collecting outstation cheques and has allowed interest Rs.10. A sum of Rs.800 deposited in the bank has been credited as Rs.80 in the pass book.

Prepare a bank reconciliation statement as at December 31st, 2015.

(20 Marks)

Q.No. 5 What is a suspense Account? Is it necessary that suspense Account will balance off after rectification of the errors detected by the Accountant? If not, then what happens to the balance still remaining in Suspense Account?

(20 Marks)

Q.No. 6 Explain with examples in clear terms:

- (i) "Return inwards" and "Returns outwards".
- (ii) What is bank overdraft?
- (iv) "Errors of Principles" and "Error of Omission".
- (v) "Capital expenditure" and "Revenue Expenditure".

(5X4=20 Marks)

Q.No. 7 What is accrual accounting? Differentiate between cash and accrual system of accounting.

(20 Marks)

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