

**BOARD OF DEPARTMENTAL EXAMINATION, HIMACHAL PRADESH**  
**DEPARTMENTAL EXAMINATION APRIL, 2016.**  
**(FOR TREASURY OFFICERS)**

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

**Time Allowed : 3 hours**

**Maximum Marks: 100**

**Notes: i) Attempt any five questions including Question No.5 which 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) What you know of the term 'Depreciation'. Why it should be brought into account?(5)**

**b) Discuss the following methods of providing for Deprecciation:-**

**i) Fixed Instalment Method;**

**ii) Diminishing Balance Method;**

**iii) Depreciation Fund Method.**

**(5x3)=(15)**

**Q.No.2:- Define the followings;**

**a) Fixed Assets;                      b) Fictious Assets;**

**c) Wasting Assets;                  d) Liquid Assets;**

**e) Average due date;. f) Circulating or Floating Capital**

**g) Working Capital;                  h) Revenue Account;**

**i) On Credit;                              j) Capital.**

**(2x10)=(20)**

**Q.No.3:- Explain the following :-**

**a) Open and Crossed Cheques; b) Dishonoured Cheque;**

**c) Account Payee only;                  d) Not Negotiable;                  e) Journal.**

**(4x5)=(20)**

**Q.No.4:- Explain Trial Balance. Which types of errors in accounts are not disclosed by Trial Balance?**

**(20)**

**Q.No.5:- From the following particulars prepare a Bank Reconciliation Statement of Dinkar & Co. as at 31<sup>st</sup> March 2015:**

	Rs.
1) Overdradft as per Pass Book;	10108
2) A bill discounted with the Bank in September Dishonoured on 25 <sup>th</sup> March 2015;	3000
3) Noting charges paid by Bank on above;	10
4) Interest on Overdraft for six months ending 31 <sup>st</sup> March, 2015	210
5) Bank Charges;-	20
6) Cheques deposited with Bank but not yet cleared;	5385
7) Cheques drawn but not presented for payment;	2170
8) Dividends collected by the Bank for the Co. in last week of March 2015;	1050
9) Insurance premium paid by the bank on behalf of the Co.;	250

**(20)**

**Q.No.6:-** Distinguish between :-

- a) Gross Profit and Net Profit;
- b) Contingent Liability & Current Liability;
- c) Deferred Revenue Expenditure & Capital Expenditure;
- d) Reserve Fund & Reserve Account.

(5x4)=(20)

**Q.No.7:-** Discuss the followings:-

- a) Going Concern Concept;    b) Money Measurement Concept;
- c) Cost Concept;    d) Accrual Concept; and    e) Entity Concept.

(4x5)=20

**Q.No.8:-** Explain why the Final Accounts would be incomplete without a Balance Sheet. How should Fixed Assets and Floating Assets be valued in a Balance Sheet. (20).