

H.P. BOARD OF DEPARTMENTAL EXAMINATION

DEPARTMENTAL EXAMINATION FOR EXCISE & TAXATION OFFICERS OF
EXCISE & TAXATION DEPARTMENT

SESSION -OCTOBER, 2016

PAPER-5 Book Keeping and Landa Script

Time Allowed: 3 Hours

Maximum Marks: 100

Notes:

- i) Attempt five questions. Question No. 3 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 What do you understand by the terms "Grouping" and "Marshalling" used in connection with the balance sheet of a business? Illustrate different systems of marshalling?
(20 Marks)

Q.No.2 What is the difference between Single Entry System and Double Entry system of accounting?
(20 Marks)

Q.No. 3 The Trial Balance of S. Karim 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.

Q.No.4 Please complete the empty columns by giving appropriate answer: (20 Marks)

Transactions	Two Accounts involved	Classification of Accounts	Rule of Debit or Credit	Explanation (Narration)	Account to be debited with Rs.	Account to be credited with Rs.
Started business with Rs.50,000/-						
Purchased furniture for Rs.1,000/- on credit from Pankaj						
Goods purchased for cash Rs.20,000/-						
Goods sold to Ram for Rs.5,000/- on credit						
Paid salary to staff Rs.18,000/-						

Q.No. 5 Prepare a bank reconciliation statement as at 31st December 2015 from the following particulars. (20 Marks)

- (i) Bank overdraft as per cash book Rs.6,906.
- (ii) Cheques and drafts deposited in December but collected in the next year. cheques Rs. 6,204 and drafts Rs. 963.
- (iii) A bill was discounted with the bank for Rs. 1,000 at Rs. 950 but the cash book was debited with the full amount of the bill.
- (iv) A cheque for Rs. 500 was deposited with the bank but was not entered in the cash book.
- (v) Cheques were issued to parties for Rs. 10,961, of which a cheque for Rs. 996 was not presented for payment.
- (vi) An amount of Rs. 1,500 was directly deposited by a debtor into bank.
- (vii) An amount of Rs. 56 was charged by bank as overdraft interest.

(20 Marks)

Q.No. 6 What is the difference between Trial Balance and Balance Sheet?

(20 Marks)

Q.No. 7 What purpose is served by the analysis of financial statement of a business concern? List out various parties interested in this analysis.

(20 Marks)

Q.No. 8 What is the difference between Provision and Reserve?

(20 Marks)

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