

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

SESSION -APRIL, 2017  
PAPER-5 Book Keeping and Landa Script

Time Allowed: 3 Hours

Maximum Marks: 100

**Notes:**

- i) Attempt five questions. Question No. 6 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.
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Q.No. 1      What is accrual accounting? Differentiate between cash and accrual system of accounting.

(20 Marks)

Q.No. 2      What do you understand by depreciation? State briefly the different causes of depreciation and bring out the need of provision for depreciation.

(20 Marks)

Q.No. 3      How are the errors located through trial balance? Elaborate the errors not revealed by the preparation of trial balance.

(20 Marks)

Q.No. 4      The cash book of M/s Anil & Co. shows Rs. 8364 as balance at Bank as on 31<sup>st</sup> Dec, 2015. Prepare the bank reconciliation statement on the following information:

- i. On 15<sup>th</sup> Dec, 2015, the payment side of the cash book was undercast by Rs.100/-.
- ii. A cheque for Rs.131 issued on 25<sup>th</sup> Dec, 2015 was taken in cash column.
- iii. A deposit of Rs.150 was recorded in cash book as if there was no bank column therein.
- iv. On 18<sup>th</sup> Dec, 2015, the debit balance of Rs.1526 as on previous day was brought forwarded as credit balance.
- v. Of the total cheques amounting to Rs.11514 drawn in last week of Dec, 2015, cheques aggregating Rs.7815 were encashed in December.
- vi. Dividend of Rs.250 collected by the bank and a subscription of Rs.100 paid by it.
- vii One outgoing cheque of Rs.350 was recorded twice in the cash book.

(20 Marks)

Q.No. 5      Define Reserve. How do we classify Reserve? What is the difference between Reserve and Reserve Fund?

(20 Marks)

Q.No. 6

From the following Trial Balance of Gopinath, prepare Trading and Profit and Loss Account for the year ended December 31, 2014 and Balance Sheet as on that date:

Name of Account	Dr. Balances	Cr. Balances
	Rs.	Rs.
Capital		27,000
Drawings	4,260	
Furniture	5,700	
Stock on January 1, 2014	8,760	
Purchase and sales	62,172	71,436
Returns	1,260	1,746
Salaries	2,640	
Rent	720	
Carriage	1,500	
Rates and Taxes	1,200	
Apprentice Premium		750
Bank Overdraft		1,200
Bad Debts	1,032	
Sundry Debtors	19,200	
Cash in hand	288	
Sundry Creditors		6,000
Provision for Bad Debts		600
Bills Receivable	1,440	
Bills Payable		1,080
Discount		360
	<b>1,10,172</b>	<b>1,10,172</b>

You are required to consider the following adjustments:

1. Stock on December 31, 2014 was valued at Rs. 10,200.
2. Provide for doubtful debts at 5% on Sundry Debtors and for Discount on Creditors at 2%.
3. Rent due was Rs. 160.
4. Taxes of Rs. 320 were paid in advance.
5. Depreciate Furniture at 10% per annum.
6. Apprentice Premium of Rs. 120 was to be carried forward.
7. Calculate interest on capital at 5% per annum.

(20 Marks)

Q.No. 7

Explain with examples in clear terms:

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

(4X5=20 Marks)

Q.No. 8

What are the reasons for disagreement between cash book balance and pass book balance?

(20 Marks)