

H.P.BOARD OF DEPARTMENTAL EXAMINATION
DEPARTMENTAL EXAMINATION FOR EXCISE & TAXATION INSPECTORS

~~NOVEMBER, 2017~~

DEC-2017

PAPER 5: BOOK KEEPING AND COMMERCIAL KNOWLEDGE

TIME ALLOWED: THREE HOURS

MAX.MARKS: 100

Notes:

1. Attempt in all five questions including question No.1 which is compulsory.
2. Marks has been indicated against each question.
3. Use of calculator allowed.

Q.NO.1 From the following particulars of Girdhari Lal & Sons on 31.03.2016, prepare Trading, Profit & Loss Account for the year ending 31.03.2016 and balance sheet as on that date:

Particulars	Dr(Rs.)	Cr(Rs)
Capital		3,50,000
Drawings	25,000	
Plant & Machinery	1,50,000	
Debtors and Creditors	90,000	40,000
Returns	10,000	12,000
Discount	5,000	4,000
Commission	8,000	
Interest on Bank Loan	22,000	
Furniture	34,000	
Provision for doubtful debts		12,000
Wages	48,000	
Salaries	60,000	
Advertisement	15,000	
Taxes & Insurance	12,000	
Purchase & Sales	2,40,000	4,80,000
Opening stock	50,000	
Carriage	12,000	
Buildings	3,00,000	
Cash in hand	12,000	
Cash at Bank	25,000	2,20,000
	11,18,000	11,18,000

Additional information:

- a. Stock valued at Rs. 46,000 as on 31.03.2016.
- b. Wages and Salaries outstanding Rs. 5000/- & 4,000/- respectively.
- c. Depreciate Plant & Machinery, Buildings & Furniture at 15%, 2.5 % & 15 % respectively.
- d. Provide for doubtful debts at 10 % on debts.

(20 Marks)

Q. No. 2 Differentiate between the following:

- a. Asset & Inventory
- b. Cash Memo & Bill
- c. Cash discount & Trade discount
- d. Reserve & Provision

(5*4=20 Marks)

Q.No.3 From the following particulars of Asha & Co. prepare bank reconciliation statement on 31st March 2017:

<u>Sr.No.</u>	<u>Particulars</u>	<u>Amount(in Rs.)</u>
a.	Overdraft as per pass book	20,000
b.	Interest on overdraft	2,000
c.	Insurance premium paid by Bank	200
d.	Cheque issued but not presented for payment	6,500
e.	Cheque deposited but not yet cleared	6,000
f.	Amount wrongly debited by Bank	500

(20 Marks)

Q.No.4 Gupta Traders bought a machine on 1st April 2009 for Rs. 1,19,000 and spent Rs. 15,000 on its establishment. The estimated life of the machine is five years after which its residual value is estimated Rs. 14,000 only.

Calculate annual depreciation according to fixed instalment method and prepare machinery account for five years assuming that accounts are closed on 31st March every year.

(20 Marks)

Q.No. 5 Rectify the following by passing journal entries:

- a. Sales Return book overcast by Rs. 1,000.
- b. Purchase book was undercast by Rs.600.
- c. Furniture purchased for Rs. 5,000 was posted to purchase account as Rs. 500.
- d. Discount received from Rohan Rs. 50 on paying Rs. 3,250 to him was not posted at all.

(5*4=20 Marks)

Q.No. 6 Explain the following

- a. Operating profit
- b. Net current assets
- c. Matching concept
- d. Contra entries

(5*4=20 Marks)

Q.No.7 What is Accrual Accounting? How it is different from Cash based Accounting? Also state advantages of Accrual Accounting?

(20 Marks)