

BOARD OF DEPARTMENTAL EXAMINATION, HIMACHAL PRADESH
DEPARTMENTAL EXAMINATION, June 2018
(FOR OFFICERS OF COOPERATIVE DEPARTMENT)

(PAPER-5 BOOK KEEPING AND ACCOUNTS)

Time Allowed: 03 hours

Maximum Marks: 100

- Notes:**
- i) Attempt any five questions.
 - ii) All questions carry equal marks.
 - iii) No books are allowed.
 - iv) Avoid cuttings and overwriting.
 - v) Attempt all parts of questions consecutively.
 - vi) Use of calculator is permitted.

Q.No.1 From the following balances extracted from the books of Mr. Sharma prepare Trading and Profit and Loss Account ended on 31st March, 2018 and Balance Sheet as at that date after taking into consideration the adjustments given below:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Furniture and Fittings	6,400	
Motor Vehicles	62,500	
Building	75,000	
Capital		1,25,000
Bad Debts	1,250	
Provision for Doubtful Debts		2,000
Sundry Debtors and Creditors	38,000	25,000
Stock on 1 st April, 2017	34,600	
Purchases and Sales	54,750	1,54,500
Bank Overdraft		28,500
Sales and Purchases Return	2,000	1,250
Advertisement	4,500	
Interest	1,180	
Commission		3,750
Cash	6,500	
Taxes and Insurance	12,500	
General Expenses	7,820	
Salaries	33,000	
	3,40,000	3,40,000

Following adjustments are to be made:

- (a) Stock in hand on 31st March 2018 was Rs. 32,500.
- (b) Provide Depreciation on building @ 5%, Furniture and Fittings @10% and Motor Vehicle @ 20%.
- (c) Rs. 850 are due for interest on Bank Overdraft.
- (d) Salaries Rs. 3,000 and Taxes Rs. 1,200 are outstanding.
- (e) Insurance amounting to Rs. 1,000 is prepaid.
- (f) One-third of the commission received is in respect of work to be done next year.
- (g) Write off further Rs. 1,000 as Doubtful Debts and Provision for Doubtful Debts is to be made equal to 5% on Sundry Debtors. (20)

Q.No.2

A company purchased a machinery for Rs. 80,000 on 1st April, 2010 and decided to write off at 10% annually on the Diminishing Balance Method. On 1st July, 2012 a part of the machinery valued in the books of the firm at Rs. 16000 on 1st April, 2010. was sold for Rs. 10,000.

Show the Machinery Account in the books of the company for the years 2010, 2011 and 2012. Accounts are closed each year on 31st December. (20)

Q.No.3 What is Single Entry System? What are the advantages and disadvantages of Single Entry System? (20)

Q.No.4 Write short notes on following:

- (a) Closing Stock.
- (b) Outstanding Expenses.
- (c) Prepaid Expenses.
- (d) Accrued Income.
- (e) Depreciation.

(5*4=20)

Q.No.5 Write up Single Column Cash Book for the month of April, 2018 of Mr. 'A' a trader, from the following transactions:

Date	Particulars	Rs.
April 1	Cash in Hand	25,000
April 2	Cash Sales	2,60,000
April 3	Deposited cash in Bank	2,00,000
April 3	Paid cheque to creditors of Rs. 49,900 after deducting cash discount of	3,100
April 4	Wages paid in cash	22,500
April 4	Cash Sales of Rs. 1,80,000 of which banked on 7 th April	1,50,000
April 9	Paid to Transport Corporation of India against their bill No. 265	4,500
April 10	Paid wages in cash	28,500
April 17	Paid to Casual Labour	3,600
April 19	Cash Sales	1,14,000
April 20	Deposited cash into bank	75,000
April 21	Purchased goods on credit from U & Co.	15,000
April 26	Cash Sales	1,92,000
April 28	Paid cash to sharp, a creditor, after deducting discount Rs. 500	9,500
April 29	Paid electricity bill in cash	9,000
April 30	Cash collected from Mahesh (Debtor) after allowing discount of Rs. 2,500	45,000

(20)

Q.No.6 Prepare Bank Reconciliation Statement of Shri Krishan as on 31st March, 2014 from the following information:

- (i) Balance as per Pass Book is Rs. 10,000.
- (ii) Bank collected a cheque of Rs. 500 on behalf of Shri Krishan but wrongly credited it to Shri Krishan's Account (another customer)
- (iii) Bank recorded a cash deposit of Rs. 2,589 as Rs. 2,598.
- (iv) Withdrawal column of the Pass Book undercast by Rs. 100.
- (v) The credit balance of Rs. 1,500 as on Page 10 of the Pass Book was recorded on Page 11 as a debit balance.
- (vi) The payment of a cheque of Rs. 350 was recorded twice in the Pass Book.
- (vii) The Pass Book showed a credit for a cheque of Rs. 1,000 deposited by Shri Krishan (another customer of the Bank).
- (viii) Dividend directly collected by bank Rs. 125.

(20)

Q.No.7 Distinguish between following:

- (a) Capital Receipt and Revenue Receipt.
- (b) Gross Profit and Net Profit.
- (c) Capital Expenditure and Revenue Expenditure.
- (d) Bill of Exchange and Promissory Note.

(20)

Q.No.8 (a) What do you understand by Financial Statements? What are the objectives of Financial Statements? (10)

(b) What is meant by Journal? Give its characteristics and form of Journal. (10)