

**DEPARTMENTAL EXAMINATION FOR EXCISE & TAXATION OFFICERS OF
EXCISE & TAXATION DEPARTMENT
SESSION- JUNE 2018**

(PAPER-5 BOOK KEEPING AND LANDA SCRIPT)

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 of the year ended 31st March, 2014 and additional information, prepare Trading and Profit and Loss Account and Balance Sheet of M/S Ram Lal and Sons:

	Rs.		Rs.
Capital	80,000	Insurance	600
Purchases	82,000	Salaries	12,500
Sales	1,10,000	Bad Debts	200
Returns Outward	1,000	Carriage on Purchases	200
Building	45,000	Commission(Cr.)	1,500
Opening Stock	15,000	Cash in Hand	5,000
Debtors	20,100	Cash at Bank	25,000
Creditors	28,000	Sales Tax Paid	5,000
Furniture	7,000	Sales Tax Collected	3,500
Wages	1,800	Interest on Investments	500
Rent	5,100		

Additional Information:

- (a) Closing Stock was valued at Rs. 20,000.
- (b) Provide Depreciation on building @ 5% and on furniture @10%.
- (c) Outstanding salaries Rs. 1,000.
- (d) Unexpired insurance Rs. 50.
- (e) Accrued commission Rs. 300.
- (f) Provide for Manager's Commission at 5% on net profit after charging such commission. (20)

Q.No.2 (a) What is meant by Journal? Give its characteristics and form of Journal. (10)

(b) What is meant by Ledger? What is the utility of a Ledger? (10)

Q.No.3 A firm purchased on 1st January, 1999 a second hand machinery for Rs. 36,000 and spent Rs. 4,000 on its installation.
On 1st July in the same year, another machinery costing Rs. 20,000 was purchased.
On 1st July, 2001, machinery brought on 1st January, 1999 was sold for Rs. 12,000 and a new machine was purchased for Rs. 64,000 on the same date. Depreciation is provided annually on 31st December @10% p.a. on the Written Down Value Method. Show the Machinery Account from 1999 to 2001. (20)

Q.No.4 Define the Bill of Exchange and its features. What are the parties to Bill of Exchange and advantages of Bill of Exchange? (20)

Q.No.5

Mr. "X" commenced business on 1st April, 2017 with Rs.2,00,000 as capital. He made following transactions in the first fortnight of April month. You are required to enter the transactions in his Cash Book

Date	Particulars	Rs.
2017 April 1	Purchased Furniture and paid cash	25,000
	Paid for Computer and Printer	30,000
	Purchased Goods	30,000
April 4	Sold Goods for Cash	15,000
April 5	Purchased Goods	20,000
	Paid to Mohan	56,000
	Received discount from him	1,000
April 6	Received Cash from Krishna & Co.	60,000
	Allowed them Discount	2,000
April 7	Paid for petty Expenses	1,500
April 8	Cash Purchases	15,000
April 9	Cash Sales	20,000
April 11	Received from Mohan Bros.	6,000
April 15	Paid for Telephone	2,500
April 15	Paid to Ali & Co.	4,000
	Discount allowed by them	80
April 15	Purchased goods from Ali & Co.	15,000
		(20)

Q.No.6

(a) Why it is necessary to prepare a 'Bank Reconciliation Statement'? (05)

(b) Prepare a Bank reconciliation statement from the details given below and ascertain the balance as per Mr. A's Cash Book as on 31st March, 2018:

1) Bank overdraft balance as per Pass Book was Rs. 12,000 whereas Cash Book showed credit balance of Rs. 38,300.

2) Cheques issued to creditors amounting to Rs. 20,000 in the month of March, 2018 of which cheques worth Rs. 3,000 were presented to bank upto 31st March, 2018.

3) A Cheque of Rs. 6,000 received from Mr. Raj was deposited in the Bank Account on 26th March, 2018 but no entry was passed in the Cash Book. The same was collected and credited to Mr. Gami's Account on 29th March, 2018.

4) A cheque for Rs. 2,000 received from Mr. Baria on 20th March, 2018 was recorded in the discount column of the Cash Book and was not banked.

5) The Pass Book showed that the bank had collected Rs. 4,000 as interest on Government Securities. The bank had charged interest Rs. 500 and bank charges Rs. 200. These were not recorded in the Cash Book. (15)

Q.No.7

Write short notes on following:

(a) Deferred Revenue Expenditure.

(b) Trading Account.

(c) Operating Profit.

(d) Promissory Note.

(e) Single Entry System. (20)

Q.No.8

(a) What do you understand by Financial Statements? What are the objectives of Financial Statements? (12)

(b) Distinguish between Capital and Revenue Expenditure. (08)