

1

**BOARD OF DEPARTMENTAL EXAMINATION HIMACHAL PRADESH**  
**DEPARTMENTAL EXAMINATION FOR DISTRICT TREASURY OFFICERS/TREASURY OFFICERS.**

**DECEMBER, 2018**

PAPER 3: PRINCIPLES OF ACCOUNTS (WITHOUT BOOKS)

**TIME ALLOWED : 3 HOURS**

**MAXIMUM MARKS: 100**

**Notes:**

- i) Attempt any five question & books are not allowed.
  - ii) Question No. 1 is compulsory.
  - iii) Indicate the same question number & its part as assigned in the question number while answering the same.
  - iv) All parts of question should be attempted consecutively.
  - v) Marks are indicated against each question.
  - vi) Use of simple calculator is allowed.
- 

**Q. No. 1(a)** Mr. Gopal started business for buying and selling of readymade garments with Rs. 8,00,000 as an initial investment. Out of this he paid Rs. 4,00,000 for the purchase of garments and Rs. 50,000 for furniture and Rs. 50,000 for computers and the remaining amount was deposited into the bank. He sold some of the ladies and kids garments for Rs. 3,00,000 for cash and some garments for Rs. 1,50,000 on credit to Mr. Rajesh. Subsequently, he bought men's garments of Rs. 2,00,000 from Mr. Satish. In the week of the next month, a fire broke out in his office and stock of garments worth Rs. 1,00,000 was destroyed. Later on, some garments which cost Rs. 1,20,000 were sold for Rs. 1,30,000. Expenses paid during the same period were Rs. 15,000. Mr. Gopal withdrew Rs. 20,000 from business for his domestic use.

**From the above, answer the following :**

**(7)**

- (i) What is the amount of capital with which Mr. Gopal started the business?
- (ii) What fixed assets did he buy?
- (iii) What is the value of goods purchased?
- (iv) Who is the creditor and state the amount payable to him?
- (v) Who is the debtor and what is the amount receivable from him?
- (vi) What is the total amount of expenses?
- (vii) What is the amount of drawing of Mr. Gopal?

**(b)** Put the following on the proper side of a Cash Account, a Debtor's Account and a Creditor's Account :

**(7)**

	Rs.
(i) Sold goods to Sanjay on credit	50,000
(ii) Sold goods to Mohan for cash	20,000
(iii) Purchase good from Ram on credit	25,000
(iv) Cash received from Sanjay	19,000
(v) Goods returned by Sanjay	2,000
(vi) Paid rent	500
(vii) Cash paid to Ram	15,000

(c) From the following particulars, prepare the proprietor's Capital Account : (3+3=6)

	Rs.
(i) 1 <sup>st</sup> April, 2017 --- Commenced business with cash	2,00,000
31 <sup>st</sup> March, 2018--- Net Loss as per Profit and Loss Account	18,000
31 <sup>st</sup> March, 2018--- Drawings during the period	15,000
(ii) Balance the same and explain what the closing balance indicates.	

Q. No 2(a) Analyse the following transactions, state the nature of accounts and state which account will be debited and which account credited : (10)

S. No.	Particulars	Rs.
(i)	Lal started business with cash	3,00,000
(ii)	Purchased furniture for cash from Shanti Furniture House	75,000
(iii)	Purchased goods for cash	55,000
(iv)	Sold goods for cash to Pal	35,000
(v)	Sold goods for Om on credit	60,000
(vi)	Deposited cash in bank for opening on account	70,000
(vii)	Received a cheque from Om	20,000
(viii)	Deposited Om's cheque the next day	
(ix)	Borrowed from Sohan	1,00,000
(x)	Purchased furniture from Haryana safe	50,000

(b) Open a 'T' shape account for machinery and put the following transactions on the proper side: (5)

		Rs.
(i)	Machinery purchased	40,000
(ii)	Machinery sold	10,000
(iii)	Machinery purchased	8,000
(iv)	Machinery discarded	14,000
(v)	Depreciation on machinery	1,000

(c) Discuss : Capital & Revenue expenditure with examples ? (5)

**Q. No. 3(a)** Following accounts are being maintained in the books of Shri Ashok. Classify them into Personal, Real and Nominal Accounts : **(10)**

- |                       |                   |                         |
|-----------------------|-------------------|-------------------------|
| (i) Land and Building | (vii) Investments | (xiv) Ramesh, a debtor  |
| (ii) Excise Duty      | (viii) Salary     | (xv) Interest Received  |
| (iii) Creditors       | (ix) Debtors      | (xvi) Bank Overdraft    |
| (iv) Capital          | (x) Bad Debts     | (xvii) Purchase Returns |
| (v) Motor Vehicles    | (xi) Depreciation | (xviii) Drawing         |
| (vi) Goodwill         | (xii) Wages       | (xix) Freight           |
|                       | (xiii) Repairs    | (xx) Return Inwards.    |

**(b)** Certified the following into Assets, Liabilities, Capital, Expenses and Revenue : **(10)**

- |                             |                        |                             |                        |
|-----------------------------|------------------------|-----------------------------|------------------------|
| (i) Land                    | (ii) Investment        | (iii) Building              | (iv) Interest Received |
| (v) Salary                  | (vi) Bank Overdraft    | (vii) Debtors               | (viii) Creditors       |
| (ix) Bad Debts              | (x) Capital            | (xi) Depreciation           | (xii) Motor Vehicles   |
| (xiii) Freight              | (xiv) Wages            | (xv) Goodwill               | (xvi) Repairs          |
| (xvii) Fixtures & Furniture | (xviii) Advance Income | (xix) Out standing Expenses |                        |
| (xx) Accrued Income         |                        |                             |                        |

**Q. No. 4(a)** Discuss and Explain the following : **(7)**

- |                                |                                     |
|--------------------------------|-------------------------------------|
| (i) Operating Profit of a firm | (ii) Net worth of a limited company |
| (iii) Going concern principal  | (iv) Goodwill of busyness entity    |
| (v) Liquidity                  | (vi) Patent                         |
| (vii) Suspense account         |                                     |

**(b)** From the following information, prepare Profit and Loss Account for the year ending 31<sup>st</sup> March, 2018 : **(13)**

	Rs.		Rs.
Gross Profit	1,20,000	Discount Received	6,000
Rent	5,000	Printing and Stationery	4,000
Salary	35,000	Legal Charges	10,000
Commission Paid	19,000	Bad Debts	2,000
Interest on Loan	5,000	Loss by Fire	6,000
Advertisement	8,000	Depreciation	4,000
Interest Received	8,000		

Q. No. 5 Prepare Bank Reconciliation Statement as on 30<sup>th</sup> September, 2018 from following Particulars :

(20)

Ser. No.	Balance as per Pass Book	Rs. 10,000
1.	Cheque deposited in to the Bank, but no entry was made in the Cash Book	500
2.	Cheque received and entered in the Cash Book but not sent to Bank	1,200
3.	Credit side of the Cash Book, bank column cast short	200
4.	Insurance premium paid directly by the Bank under the standing instructions	600
5.	Bank Charges entered twice in the Cash Book	20
6.	Cheque issued but not presented to the Bank for payment	500
7.	Cheque received entered twice in the cash Book	1,000
8.	Bill discounted dishonored not recorded in the Cash Book	5,000
9.	Receipt side of Cash Book is under cast	500
10.	Bank allowed interest	700.

Q. No. 6 What is Accrual Accounting? What is difference between Accrual Accounting and Cash Accounting. Elucidate your answer with examples? (20)

Q.No. 7(a) Rectify the following errors assuming that there is no Suspense Account: (10)

- (i) Salary of Rs. 5,000 paid to Rahul was not posted to Salary Account.
- (ii) Sales to Amrish of Rs. 1,430 posted to his account as Rs. 1,340.
- (iii) Total of the Sales Book has not been posted to the Sales Account.
- (iv) Rs. 1,000 paid as installation charges of a new machine has been debited to repair account.
- (v) Returns Inward Book has been overcast by Rs. 200.
- (vi) Sales Book carried forward Rs. 41 less on page 10 and Rs. 43 more on page 12.

- (vii) A cheque of Rs. 5,000 received from Ashish was dishonoured and was debited to Discount Account.
- (viii) Purchases of Rs. 540 from Ramneek was written in Sales Book but was correctly posted to correct side of Ramneek's Account.
- (ix) Sales of old furniture with Rs. 3,000 treated as sales of goods.
- (x) Sales book added Rs. 5,000 short.

(b) Prepare the Trial Balance of Ankit's account as on 31<sup>st</sup> March, 2018. He has omitted to open a Capital Account : (10)

Bank over Draft	85,000
Sales	8,10,000
Purchases Return	22,500
Debtors	4,00,500
Wages	96,000
Capital	?
Purchases	4,45,000
Creditors	2,15,000
Equipment	25,000
Opening Stock	3,00,000