

BOARD OF DEPARTMENTAL EXAMINATION, HIMACHAL PRADESH
DEPARTMENTAL EXAMINATION FOR OFFICERS OF CO-OPERATIVE
DEPARTMENT
SESSION XXXXXXXXXX 2019

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PAPER: 5 BOOK KEEPING AND ACCOUNTS

TIME ALLOWED: 3 HOURS

MAXIMUM MARKS

100

Note:

- a) Attempt five questions. Question No 1 is compulsory.
- b) All questions carry equal marks.
- c) Books are not allowed, however, use of calculator is allowed.
- d) Avoid cutting and overwriting

Q. No. 1 The following is the Trial Balance of Anurag as on 31st December, 2013.

Account Title	Rs.	Rs.
Capital		25,000
Building	30,000	
Furniture	2,640	
Scooter	4,000	
Returns inward and outward	2,300	1,600
Stock on 1 st January, 2013	8,000	
Purchase and Sales	33,800	56,040
Bad debts	300	
Carriage inwards	700	
General Expenses	1,200	
Bad debt provision		700
Bank loan		5,000
Interest on bank loan	300	
Commission		900
Insurances and taxes	2,000	
Scooter expenses	2,600	
Salaries	4,400	
Cash in Hand	2,000	
Debtors and Creditors	3,000	8,000
	97240	97240

You are required to prepare the final accounts for the year ending 31st December, 2013 taking into account the following adjustments:

- a) Closing stock on 31.12.2013 was valued at Rs. 4,340.
- b) Commission includes Rs. 300 being commission received in advance.
- c) Salaries have been paid for 11 months.
- d) Bank loan has been taken @ 10% per annum.
- e) Depreciate building by 5 % and Scooter by 15%.
- f) Write off Rs.200 as further bad debts and maintain bad debt provision at 5% on debtors.
- g) Scooter is used for business as well as for private purpose equally. (20)

- Q 2. a) What is the meaning of accounting? What are its objectives? (10)
 b) Differentiate between book keeping and accounting. (10)
- Q 3. Define the following:
- | | | | |
|------------------------|------------------------|-------------|--------------|
| a) Bills receivables | b) Bills payables | c) Drawings | d) Bad Debts |
| e) Profit | f) Stocks | g) Debtors | h) Creditors |
| i) Capital Expenditure | j) Revenue Expenditure | | (2X10) |
- Q 4. a) Distinguish between Cash Basis of Accounting and Accrual Basis of Accounting? (10)
 b) What is double entry system of book keeping? Enumerate its advantages and disadvantages. (10)
- Q 5. Journalise the following transactions in the books of Mr. Shyam
- Purchased a machine for cash Rs. 50,000 and paid Rs. 4000 in cash as wages on its installation, goods for Rs. 2,000 was also used from business on its installation.
 - Mohan who owed Rs. 2000 is declared insolvent and 60 paise in a rupee is received as final dividend from his estate.
 - Bricks for Rs. 80,000 and timber for Rs. 50,000 purchased for the construction of building. The payment was made by cheque.
 - Purchased an old machine for Rs. 50,000 and spent Rs. 1,000 on its carriage and Rs. 4000 on its immediate repairs.
 - Sold goods to Ram at list price of Rs. 20,000, on it, trade discount is 10% and cash discount is 5%. He paid the amount on the same day and received the cash discount.
 - Sold goods costing Rs. 1,000 to Mohan and issued invoice at 10% above cost less 5% trade discount.
 - Paid Rs. 2,000 as Income Tax and Rs. 1000 as Sales Tax.
 - Cash deposited in Bank Rs 2000 (8X2.5)
- Q 6. a) "Trial balance is not a conclusive proof of the accuracy of books of accounts." What are the errors that remain undetected inspite of its agreements? (10)
 b) What are the objects of making provisions for the depreciation on the fixed assets in a business? Briefly describe different methods of providing depreciation. (10)
- Q 7. a) What is Bank Reconciliation Statement and why it is prepared? (10)
 b) From the following particulars, prepare the bank reconciliation statement as on 31st March, 2015.
- Balance as per pass book is Rs. 25,000.
 - Cheques issued but not presented for payment Rs. 10,000
 - Cheques issued but omitted to be recorded in Cash Book Rs. 15000
 - Interest allowed by the Bank not entered in the cash book Rs. 100
 - Cheque paid into the Bank but omitted to be recorded in the Cash book Rs. 8000
 - Cheque paid into the Bank but dishonored by the Bank Rs 500
 - A customer directly deposited into the Bank Account Rs. 315 (10)