

**GOVERNMENT OF HIMACHAL PRADESH
BOARD OF DEPARTMENTAL EXAMINATION**

**Departmental examination of Excise and Taxation inspectors of Excise and
Taxation Department Session February, 2005**

Paper-5 BOOK KEEPING AND GENERAL COMMERCIAL KNOWLEDGE

TIME ALLOWED: 3 Hours.

Max. Marks: 100

- Note:** (i) Answer any five questions.
(ii) Question number 8 and 9 are Compulsory.
(iii) Books are not allowed.
(iv) Avoid cuttings and overwriting.
(v) All questions carry equal marks except the question No.9 which is of 10 marks.
And question No.8 which is of 30 marks..
(vi) Do not leave any blank----- Pages in your answer book.

- Q.No.1 (a) Explain the fundamental principles of Double Entry.
(b) Show two fold effect in the following transactions:-
(i) Bought goods worth Rs.500/- for cash from
(ii) Sold goods for cash of Rs.400/-
(iii) Bought office furniture from B for cash Rupees.
(iv) Paid salary to office staff Rs.150/- (20)

- Q.No.2 (i) What are personal accounts and how are transactions recorded in such Accounts?
(ii) Why are Books of original Entry called subsidiary journals?
(iii) Give a list of subsidiary journals used in modern Book Keeping. (20)

- Q.No.3 (i) What do you understand by purchases and sales Returns?
(ii) What are Debit and Credit Notes? Explain these by giving the usual forms (as an illustration). (20)

- Q.No.4 (a) Explain fully what do you understand by a Trial Balance?
(b) How a trial balance is prepared?
(c) What errors does a Trial Balance help to detect. (20)

- Q.No.5 (i) Describe the use of Cash Book.
(ii) How are entries made in a Cash Book transferred or posted into the ledger.
(iii) Enter the following transactions in a Cash Book with Cash & Discount Column only and show the Bank Account as it would appear in the ledger. (20)

Contd/p-2

2004 March 1	Balance of cash in hand Balance of cash in S.B.I	Rs.3,000/- Rs.12,000/-
March 2	Received cash form Shyam and allowed him discount of Rs.60/-	Rs. 2,000/-
March 3	Paid into State Bank of India	Rs. 3,500/-
March 4	Paid to M/S R.C.& Co. by cheque Full settlement of their account of Rs.550/-	Rs. 520/-
March 5	Received for cash sales cash of Rs.75 and cheque Rs.100/-	
March 6	Paid into State Bank of India	Rs. 620/-
March 8	Paid for cash purchases by cheque	Rs. 845/-
March 9	Paid Bill payable No.8 by cheque	Rs. 1,200/-
March 11	Paid by cheque to Rita Rs. 525/- in full settlement of Rs.540/-	
March 12	Drew for office use	Rs. 500/-
March 13	Paid cash for advertisement	Rs. 45/-
March 14	Discounted Bill receivable No. of with State Bank of India , The bank Crediting current account with Rs.2400/-	Rs. 2,500/-
March 16	Paid cash for electric charges	Rs. 42/-
March 17	Drawn a cheque of Rs.200/- for personal use	
March 19	Paid Feburary salary to staff by cheque Rs	
March 21	Paid by cheque for office safe	Rs 275/-
March 23	Received from R.Sons Rs.875/- in full settlement of their account for 900/-	
March 25	Paid into State Bank of India	Rs. 1,000/-
March 26	Paid cash for freight	Rs. 55/-
March 29	Paid rent for february	Rs. 175/-
March 31	Received a cheque of Rs. 460/- from A Dean & Co. in full settlement of their account for Rs.480/-	

Q.No.6 Give the causes that may account for an unusual decrease in the % age of gross Profit t the turnover as compared with similar % age of the preceding period.
(20)

Q.No.7 (a) Describe the steps necessary for proper stock taking and the basis to be Adopted for stock valuation.
(b) what principes should be kept in view while valuing closing stock? Is their any execution to the general rule.
(20)

Contd/p-3

Q.No.8 Following are the balances extracted from the books of A. Rahman & Co. as on 31 st March 2004:-

Capital account	90,000/-	Office expenses	1,340/-
Drawings	7,600/-	Printing and stationery	660/-
Purchases	89,470/-	Postage & Telegrams	820/-
Purchases returns	4,240/-	Bad debts	1,400/-
Sales	1,49,840/-	Bad Debts Resume (Ist April 2003)	3,240/-
Sales returns	2,820/-	Taxes and Insurance	1,300/-
Stocks(1.4.2003)	11,460/-	Discount account (a)	
Salaries & Wages	6,280/-	Bills recoverable	
Buildings	25,000/-	Secondary Debtors	
Freight & clearing charges	16,940/-	Cash at Bank	
Carriage inwards	2,310/-	Cash Hand	
		Travelers salaries & commissions.	
		Addition to Building Rent recovered	

Pass the necessary adjusting and closing entries and to prepare trading and profit and loss account for the year ended 31 st March 2004 and a balance sheet as on that date after making the following adjustment:-

1. Depreciate Building by 2.5 % and office Furniture by 5%
 2. Resume for Bad Debts to be made upto Rs.4000/-
 3. Salaries outstanding for March 2004 Rs.570/-
 4. Rent recoverable Rs.200/-
 5. 5% interest to be charged on capital
 6. The value of stock on 31 st March was Rs.14,290/-
 7. The un-expired insurance amounted to Rs.240/-
- (30)

Q.No.9 RE- Write in 'LANDA SCRIPT' THE FOLLOWING PASSAGE(IN ROMAN SCRIPT):-

AAJ KAL MANDI MAIN TEJI CHAL RAHI HAI. AAP KO DASTI TAUR PAR 5000 RUPAI BHAJI RAHA HUN. RASID BHAJI DAIN. AUR MALL KA ORDER BHI BHIJDAIN. AGAR HO SAKI TO PICHHLA BAKAYA 28995 RUPAI KA BHI CHUKTA KARIN. MEHARBANI HOGI. (10)
