

H.P.BOARD OF DEPARTMENTAL EXAMINATION
**DEPARTMENTAL EXAMINATION OF OTHER GAZETTED OFFICERS/
OFFICIALS (NON- TECHNICAL) OF HIMACHAL PRADESH SESSION, MAY-
JUNE, 2009**

PAPER-5 (BOOK KEEPING AND ACCOUNTING FOR E.T.Os)

Time Allowed: 3 Hours.

Maximum Marks: 100

Note:- 1. Question No.1 is compulsory.

2. Attempt any other four questions.

3. Books are not allowed.

4. Uses of calculator is allowed.

5. Cutting and overwriting should be avoided.

6. All questions carry equal marks.

Q.No.1 a) Point out whether the following statements are true or false.

- (i) The actual record keeping phase of accounting is usually called book keeping.
- (ii) All monetary or non monetary transactions or events are recorded in Accounting.
- (iii) Any expenditure which results in acquiring some property of benefit of a Lasting nature in an asset.
- (iv) All claims which can be enforced against the assets of the firm is called equity.
- (v) Net worth means assets minus liabilities.
- (vi) Profit or loss has no effect on net worth.
- (vii) Drawing reduces net worth.

(b) Which of the following statements are correct?

- (i) Under accrual basis of accounting, actual cash receipts and actual cash Payments are recorded.
- (ii) Cash basis of accounting satisfies of conservative instinct.
- (iii) Cash basis of accounting follows matching principle of accounting.
- (iv) Cash basis of accounting is more scientific as accrual to accrual basis of Accounting.
- (v) Accrual basis of accounting gives a complete picture of the financial Transactions of the business.
- (vi) Cash basis of accounting discloses correct profit and loss for a particular period.
- (vii) Under hybrid basis of accounting, incomes are recorded on cash basis whereas Expenses are taken on accrual basis.

Q.No.2 a) State under what heading (Personal, real or Nominal) would you classify each Of the following accounts:-

- (i) Bank Account.
- (ii) Machinery Account.
- (iii) Wages Outstanding Account.
- (iv) Patents Account.

- (v) Bad Debits Account.
- (vi) Expenses paid in advance Account.
- (vii) Oswal Spinning Mills Ltd.
- (B) 'Every debit must have a corresponding credit' Explain.
- (C) Give five advantages of Double entry System.

Q.No.3 a) Define following:-

- (i) Cash Memo
- (ii) Pay in slip
- (iii) Cheque. How will you fill up a Cheque?
- (iv) Debit Note
- (v) Credit Note.

b) A Ledger. Why is it known as a principal book of accounts?

Q.No.4 'Is the agreement of Trial Balance a conclusive proof of the accuracy of a Book keeper? If not, what are the errors, which remain undetected by the Trial Balance?

Q.No.5 Define a Cash Book. Is it a subsidiary book or a principle book of accounts? Give reasons.

Q.No.6 Define and distinguish between books of original entry and principal book of Accounts.

Q.No.7 a) Why is the Bank Reconciliation Statement prepared?

b) What is the purpose of preparing Bank Reconciliation Statement? Explain the reasons responsible for difference between the balance of Cash book and Bank Pass Book.

Q.No.8 a) Prepare a Day (Sales) Book and an Invoice (purchases) book from the Following particulars.:-
2002

Jan.

- 1. Bought from Messrs Pohumall & Co., 20 carpets at Rs.35 each
- 8. Sold to J. Cooper, 5 carpets at Rs. 42 each.
- 15. Purchases from Persian Trading Co., 12 carpets at Rs. 60 each
- 18 Bought from the Delhi Trading Co., 7 carpets at Rs. 23 each.
- 20 Sold for cash 11 carpets at Rs. 46 each.
- 30 Bought for cash 3 carpets at Rs. 10 each.
- 31 Sold to Messrs Roy & Co., 7 carpets at Rs. 52 each.

b) Enter the following transactions in the sales book and post them into ledger:
2002

April

- 4 Sold to M/s Ranjit Bors;
100 pieces long cloth @ Rs. 60
100 pieces shirting @ Rs. 35
Packing and delivery Rs.100
- 8 Sold to M/s Shastri & Mehta:
15 pieces coating @ Rs.200
- 15 Sold to M/s Jung Bros;
120 blankets @ Rs.60
110 blankets @ Rs.80

Q.No.9 A & B are partners in a manufacturing business. They share profits and losses Equally, and have agreed that 5 per cent interest shall be credited to their Respective capitals from profit prior to division. On 31st March, 2002 stock Was valued at Rs.2,050. Following adjustments are to be made:

- a) A bill for repairs for Rs. 50 was due, but has not been paid.
- b) Wages for the week ending 31st March amounting to Rs. 60 were outstanding.
- c) Insurance unexpired on 31st December was to Rs. 20.
- d) Depreciate Plant and Machinery at 10 per cent and Building at 2.5 per cent.

Their balances on 31st March, 2002 were as under:-

| Debit Balance | Rs. | | Rs. |
|-------------------------------------|--------------|------------------|--------|
| Stock (1 st April, 2001) | 3,800 | A's drawings | 840 |
| Purchases | 12,900 | B's Drawings | 420 |
| Sundry Debtors | 14,895 | Bank | 850 |
| Trade Expenses | 356 | Cash | 259 |
| Plant & Machinery | 1,140 | Credit Balances | - |
| Insurance | 120 | A's Capital (on | |
| | - 1.4.2001) | | 8,000 |
| Salary to A | 470 | B's Capital (| |
| | On 1.4.2001) | | 2,000 |
| Rent, Rates and Taxes | 352 | Purchase Returns | 400 |
| Buildings | 5,200 | Sundry Creditors | 10,800 |
| Repairs | 100 | Sales | 23,082 |
| Wages | 2,580 | | |

Prepared Trading Profit and Loss Account for the year ending 31st March, 2002 and balance sheet as on that date.
