

**H.P.BOARD OF DEPARTMENTAL EXAMINATION  
DEPARTMENTAL EXAMINATION OF OTHER GAZETTED OFFICERS/  
OFFICIALS OF HIMACHAL PRADESH SESSION NOVEMBER, 2009**

**PAPER-5                    (BOOK KEEPING & LANDA SCRIPT) for E.T.O.s**

**Time Allowed: 3 Hours.**

**Maximum Marks: 100**

- Notes:-**
- 1. Attempt any five questions including questions No.1, which is compulsory.**
  - 2. All questions carry equal marks.**
  - 3. Books are not all allowed.**
  - 4. Use of calculator is allowed.**
  - 5. Try to Attempt all parts of questions consecutively.**
  - 6. Overwriting should be avoided**
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Q.No.1 From the following Trial Balance prepare Trading and Profit & Loss account For the year ended on 31<sup>st</sup> March 2002 and a Balance Sheet as at that date in Respect of M/S ABC & Company.

	Rs.	Rs.
Capital		3,50,000
Drawings	25,000	
Plant & Machinery	1,50,000	
Purchases and Sales	2,40,000	4,80,000
Returns	10,000	12000
Discount	5,000	4,000
Commission	8,000	
Interest on Bank Loan	22,000	
Furniture	34,000	
Provision for doubtful debts		12,000
Wages	48,000	
Carriage	12,000	
Land & Buildings	3,00,000	
Salaries	60,000	
Advertisements	15,000	
Taxes & Insurance	12,000	
Debtors & Creditors	90,000	40,000
Stock (31.03.2001)	50,000	
10% Bank Loan (as on 1.4.2001)		2,20,000
Cash in hand	12,000	
Cash at Bank	25,000	
	11,18,000	11,18,000

Additional information:

- (i) Stock at the end of the year is Rs. 46,000/-
- (ii) Wages & Salaries were outstanding Rs. 5,000/- and Rs.4,000/-  
Respectively as on 31<sup>st</sup> March, 2002.
- (iii) Depreciate Plant & Machinery; Land & Building; and furniture @ 15%,  
2.5 % and 15% respectively.
- (iv) Provide for doubtful debts at 10% on debts. **(20 Marks)**

Q.No.2 a) What is the difference between Receipt and Payment Account and Income & Expenditure Account.

- b) What is the difference between Capital Expenditure and Revenue Expenditure
- c) State with reasons which of the following items are Capital or Revenue.
  - (i) Cost of replacement of old & Worn out part of Plant.
  - (ii) Interest on loan borrowed for business.
  - (iii) Legal expenses incurred on income tax appeal.
- (iv) Repair Charges of Machinery.
- (v) Cost of furniture purchased. **(8+ 7+5= 20 Marks)**

Q.No.3 Attempt all the following questions

- (a) What is Book Keeping and Accountancy?
- (b) Define Journal.
- (c) Define goodwill.
- (d) What is working Capital
- (e) What is going Concern Concept of accounting?
- (f) Define Trade Discount.
- (g) What is petty Cash Book?
- (h) Define Real Accounts.
- (i) what are books of original entries?
- (j) Define accounting cycle. **(10 x 2= 20 Marks)**

Q.No.4 a) What is the distinction between Manufacturing Account and Trading Account?

- b) From the following information, prepare a Manufacturing Account for the year ended pm31st march, 2008.

Work-in- progress (01.04.2007)	(Rs.) 4,000	Wages	(Rs.) 20,000
Raw Material (31.03.2008)	90,000	Salary of works Manager	8,000
Carriage Inwards	3,000	Power, Electricity & Water	6,000
Freight Inwards	2,000	Fuel	4,000
Returns Outwards	2,200	Depreciation: Plant & machinery: Factory Building:	8,000 4,000
Sales of Scrap	1,000	Repairs & Insurance: Plant & Machinery: Factory Building:	6,000 2,000

Work- in- Progress (31.03.2008)	5,000	Factory Rent & Taxes	10,000
Raw Material (01.04.2007)	74,000	General Expenses	2,000
Raw Material Purchased	45,000	Selling Distribution Expenses	30,000
Salary of Administrative Staff	38,000		
Sales	99,000		

**(5 + 15= 20 Marks)**

Q.No.5 a) Prepare a Two- column Cash Book from the Following transactions of M/S XYZ & Company.

2008		Rs.
Jan.1	Cash in Hand	24,000
6	Cash Purchases	22,000
10	Wages Paid	2040
11	Cash Sales	26,000
12	Purchased Goods from M& Co.	40,000
12	Cash received from M/s "A" allowed him discount Rs.20/-	21,980
14	Paid to M & Co.	40,000
19	Cash Paid to M/s "C:" & received discount Rs.30/-	22,470
27		

b) From the following particulars prepare Bank reconciliation statement:-

		Rs.
1.	Balance as per pass Book (Overdraft)	15450
2.	Interest on investment collected by the bank but not recorded in the Cash Book	1800
3.	Un- credited Cheques	12800
4.	Un- Presented Cheques	1900
5.	Bank Charges as per Bank Pass Book	50
6.	Interest on Overdraft debited in the Pass Book not recorded in the Cash Book	200

**(10 + 10= 20 Marks)**

Q.No.6 Pass the opening entries in the journal of M/S P & Sons (as 01.04.2009) and Post the same into the ledger.  
Cash in hand Rs. 2,000, Cash at Bank Rs. 6000, Stock of Rs. 21,000, Land & Buildings Rs. 1,01,000, Plant & Machinery Rs. 51,000, Furniture & Fixtures Rs. 26,000, Owings from X Ltd. Rs. 13,500, prepaid Insurance Rs. 1500, Interest received in advance Rs. 1250, Loan from Y Ltd Rs.11,000 and Owing To Z Ltd Rs. 4,750.

**(20 Marks)**

Q.No.7 a) State True or False

- (i) The ledger is the book of original entry.
  - (ii) Errors of principle will affect Trial Balance.
  - (iii) Sales less cost of goods sold= Gross Profit.
  - (iv) Premium paid on the life policy of partner is debited to profit and loss Account.
  - (v) Depreciation cannot be provided in case of loss in a financial year.
  - (vi) It is on the basis of going concern concept that the assets are always valued Market price.
  - (vii) Repairs to machinery affect Machinery Account.
  - (viii) The debts written off as bad, if recovered subsequently are credited to Debtors Account.
  - (ix) The Salary paid in advance is not an expense because it neither reduces Assets nor increase liabilities.
  - (x) An asset gives rise to expenditure when it is acquired and to an expense When it is consumed.
- c) What is the difference between:-
- (i) Fixed Assets and Current Assets
  - (ii) Cash Book and Journal
  - (iii) Accrued income and un- accrued income.
  - (iv) Contingent Asset and Contingent Liability. **(10 + 10= 20 Marks)**

Q.No.8 a) What is the distinction between Double Entry System and Incomplete Records (Popularly known as Single Entry System)?

b) Mr. B could not keep complete records. He furnished you the following information for the year 2003-04.

<b>A .PARTICULARS OF ASSETS AND LIABILITIES</b>		
	01.04.2003 Rs.	31-03-2004 Rs.
Stock – in- trade		
Stock- in- trade	37,400	46,800
Sunday Debtors	24,000	28,000
Sundry Creditors	18,000	3,000
Bills Receivable	8,000	10,000
Bills Payable	2,000	400
Furniture & Fixture	1,200	1,200
Buildings	24,000	24,000
Bank Balance	8,700	1,660 (Cr.)

B. Other information: Additional Capital introduced Rs.5,000, drawings Rs. 15,000, A Provision @ 10% is required for doubtful debts, depreciation @ 5% p.a. is to be Written-off for furniture and fixtures and buildings Rs. 6,000 is outstanding for wages And Rs.2,400 for salaries, prepaid insurance amounted to Rs.400, outstanding legal Expenses are Rs. 1,400.

From the above particulars, find out by statement of Affairs method, the Profit or Loss made by Mr. B during 2003-04. Also prepare his Balance Sheet as at 31<sup>st</sup> March, 2004.

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**(5 + 15= 20 Marks)**