

HARYANA STATE S.A.S. PART-I EXAMINATION

COMMERCIAL BOOK KEEPING (Elementary) (Without Books)

Time Allowed: 3 Hours

Max. Marks : 100

- Note:** 1. Attempt any 5 questions.
 2. Question No. 1 is compulsory
 3. All questions carry equal marks

Q.1 From the following figures extracted from the books of XY & Sons, you are required to prepare a Trading and Profit and Loss Account for the year ended 31 March 2008 and a Balance Sheet as on date, after making necessary adjustments:

	Rs.		Rs.
XY's Capital Account	2,08,000	Bills Payable	5,000
XY's Drawings Account	12,000	Stock (01.04.2007)	35,000
Purchases	90,000	Wages	32,000
Freehold Property	60,000	Sundry Creditors	40,000
Plant and Machinery	1,00,000	Postage and Telegrams	1,400
Return's Outward	1,000	Insurance Charges	1,600
Salaries	12,000	Gas and Fuel	2,700
Office Expenses	2,500	Bad Debts	600
Office Furniture and Fixtures	5,000	Office Rent	2,600
Discount Account (Dr)	1,200	Freight and Duty	9,000
Sundry Debtors	26,600	Loose Tools	2,000
Loans to PQR @5% p.a. -Balance on 01.04.2007	40,000	Factory Lighting	1,600
Cash at Bank	26,600	Provision for Doubtful debts	800
Cash on Hand	2,400	Interest on Loan to PQR	1,000

Adjustments:

- a. Stock on 31.03.2008 was valued at Rs.66,000.
- b. Wages Rs. 1,600 and salaries Rs. 600 were outstanding.
- c. Insurance prepaid was Rs. 400.
- d. A new machine was installed on 31st December 2007 costing Rs. 14,000, but it was not recorded in the books and no payment was made for it. Wages, Rs. 1,000 paid for the erection, have been debited to Wages Account.
- e. Loose tools were valued at Rs. 1,600 on 31 March 2008.
- f. Depreciate Plant and Machinery by 10% per annum (p.a.); Furniture and Fixtures by 5% p.a., and Freehold Property by 2% p.a.
- g. Of the Sundry Debtors Rs. 600 are bad and should be written off.
- h. Maintain a provision of 5% on Sundry Debtors for doubtful debts, and 2% for discount on Debtors and a Reserve of 2% for discount on Creditors.
- i. The Manager is entitled to a commission of 5% of net profits before charging such commission.

(20)

Q.2. Mr. Sunil is having two accounts (A and B) with Punjab National Bank. On 31.12.2008, his ledger shows a balance of Rs. 5,000 in account 'A' and an Overdraft of Rs. 2,250 in account 'B'. On verifying the ledger entries with the respective bank statements, following mistakes were noticed:

- a) A deposit of Rs. 1,500 made into 'A' on 20.12.2008 has been entered in the ledger in account 'B'.
- b) A withdrawal of Rs. 500 from account 'A' on 02.11.2008 has been entered in the ledger in account 'B'.
- c) Two cheques of Rs. 500 and Rs. 750 deposited in 'A' account on 01.12.2008 (and entered in the books in 'B' account) have been dishonoured by the bankers. The entries for the dishonour of these cheques have been entered in the books in 'B' account.
- d) In the accounts 'A' and 'B', Mr Sunil has issued on 29.12.2008 cheques for Rs. 10,000 and Rs. 1000 respectively and these have not been cashed till 31.12.2008.
- e) Incidental Charges of Rs. 100 and Rs. 125 charged in the accounts 'A' and 'B' respectively have not been entered in the books.
- f) The Bank has credited interest of Rs. 140 for account 'A' and has charged interest of Rs. 175 for account 'B' which have not been recorded in the books.
- g) The deposit of Rs. 5,000 and Rs. 3,500 made into the accounts 'A' and 'B' respectively, both on 30.12.2008 have not been given credit to by the bank till 31.12.2008.

Draw the bank reconciliation statements for the above two accounts.

(20)

Q.3(a). Describe the objectives/purposes of accountancy.

(5)

(b). Briefly explain the advantages of financial accountancy.

(5)

(c). "Trial Balance is not a conclusive proof of accuracy." Give 5 examples of mistakes which result in mismatch in the totals of Trial balance and 5 examples of mistakes which do not result in mismatch in the totals of Trial balance.

(10)

Q.4.(a) Write short notes on:

- i. Preferential Shares
- ii) Consignments
- iii. Negotiable Instruments
- iv) Secret Reserve
- v) Limitations of Financial Statements

(15)

(b) X has purchased goods, the due dates of which are as follows:

Rs. 5,000 due 5th July 2008

Rs. 8,500 due 10th August 2008

Rs. 3,500 due 25th September 2008

Rs. 6,500 due 10th November 2008

X desires to give a promissory note for the total amount due, such being payable on the Average Due Date. Ascertain this date.

(5)

Q.5. The balances on the books of the Gurgaon Club on 31st March 2008 were as under:

Furniture as on 31 st March 2007	84,000
Furniture- additions during the year	54,000
Billiards Table and Accessories 31 st March 2007	89,000
China, Glass, Cutlery and Linen 31 st March 2007	25,000
Restaurant takings during the year	36,16,000
Restaurant Stocks 31 st March 2007	39,000
Billiards takings during the year	2,56,000
Subscriptions received during the year	3,15,000
Interest on Deposits received during the year	4,500
Secretary's honorarium	3,00,000
Purchases for restaurant	20,78,000
Rent and Rates	3,49,000
Wages (restaurant- Rs 5,00,000)	9,23,000
Repairs and Renewals	1,79,000
Fuel	1,77,000
Lighting	22,000
Sundry Expenses	1,34,000
Cash in Hand 31 st March 2007	13,500
Bank Balance 31 st March 2007	91,500
Bank Deposits at 9% 31 st March 2007	3,00,000
Capital Fund 31 st March 2007	6,60,000

Payment for purchases includes Rs. 30,000 for the year ended 31st March 2007. Restaurant Stocks on 31st March 2008 were 45,000. Included in the Subscriptions received were Rs. 48,000 for the previous year and Rs. 12,000 for the year ending 31st March 2009. Subscriptions outstanding on 31st March 2008 were Rs. 50,000. Depreciation should be provided as under (on balances as at 31st March 2007):

China etc.- 20%, Furniture- 10%, Billiards Table and Accessories- 15%

The cost of the board of the staff is estimated at Rs. 2,75,000 of which Rs. 2,00,000 is to be charged to Restaurant.

Prepare the Receipts and Payments Account, Income and Expenditure Account and the Balance Sheet showing the working of the Restaurant separately. Cash in Hand on 31st March 2008 was Rs. 26,000.

(20)

Q.6(a). The cost of the machinery in use with a firm on 31st March 2007 was Rs. 2,50,000 against which depreciation provision stood at Rs. 1,05,000 as on that date; the firm provided depreciation at the rate of 10% per annum on diminishing balance. On 31st December 2007, two machines costing Rs. 15,000 and Rs. 12,000 respectively, both purchased on 1st September 2004, had to be discarded because of damage and had to be replaced by two new machines costing Rs. 20,000 and Rs. 15,000 respectively. One of the discarded machines was sold for Rs. 8,000; against the other, it was expected that Rs. 3000 would be realised.

Show the relevant accounts in the ledger of the firm for the year 2007.

(10)

Q.6(b). List out category-wise items of Direct and Indirect expenses of a manufacturing concern.

(10)

Q.7. Differentiate between:

- i) Preferential Shares and Equity Shares
- ii) Bills of Exchange and Promissory Note
- iii) Straight Line method and Diminishing Balance method of depreciation
- iv) Trial Balance and Balance Sheet
- v) General and Specific Reserve

(20)

COMMERCIAL BOOK KEEPING (Elementary)(Without Books) 2016

Time Allowed:3 Hours

Max. Marks : 100

- Note:
1. Question No. 1 is compulsory.
 2. Attempt 2 questions out of 3 practical questions from question nos.2 to 4
 3. Attempt any 3 questions out of 4 theory questions from question nos.5 to 8

QNo.1. From the following particulars extracted from the books of AB & Sons, prepare trial balance, trading and profit and loss Account as on 31st December 2009 and a balance sheet as on date, after making necessary adjustments:-

	Rs.		Rs.
Purchases	165625	Trade expenses	2314
Sales	256650	Rent, rates and taxes	3517
Returns Inwards	4250	Bad debts	525
Returns Outwards	3120	Loans at 5% to Y, 1 st Sept.,2009	3000
Provision for Doubtful Debts	5200	Investments(cost)	11500
Sundry debtors	40200	Dividends from investments	825
Sundry Creditors	25526	Prepaid insurance	524
Bills payable(Promissory Notes to be paid)	8950	Cash on Hand and at bank	5752
Stocks (beginning of year)	26725	Bills Receivable(Amount due on promissory notes)	17070
Wages	20137	Capital Account	28000
Salaries	8575	Drawings Account	6000
Furniture	6075	Outstanding Wages	2019
Alterations to shop	4500	Rent accrued but not paid	750
Postage,stationery,Insurance,etc.	3226	Depreciation on furniture	675
Heating and Lighting	350	Additions to furniture	500

Adjustments:

- a. Sundry Debtors include an item of Rs.250 for goods supplied to the proprietor and an item of Rs.600 due from a customer who has become insolvent.
- b. Provision for doubtful debts is to be maintained at 5% of the Sundry Debtors.
- c. One- fifth ($1/5^{\text{th}}$) of the alterations to the shop is to be written off.
- d. Goods to the value of Rs.1000 have been destroyed by fire and the insurance Company has admitted the claim for Rs.700.

- e. Bills Receivable include a dishonored Promissory Note for Rs.650.
- f. Stock at the end was Rs.10520.
- g. An intimation from the bank that a customers cheque for Rs.1000 had been dishonoured is still to be entered in the books.

(Marks:30)

QNo.2. From the following particulars, prepare a bank reconciliation statement as on March 31, 2009.

- (a) Debit balance as per cash book is Rs. 10,000.
- (b) A cheque for Rs. 1,000 deposited but not recorded in the cash book.
- (c) A cash deposit of Rs. 200 was recorded in the cash book if there is not bank, column therein.
- (d) A cheque issued for Rs. 250 was recorded as Rs. 205 in the cash column.
- (e) The debit balance of Rs. 1,500 as on the previous day was brought forward as a credit balance.
- (f) The payment side of the cash book was under cast by Rs. 100.
- (g) A cash discount allowed of Rs. 112 was recorded as Rs. 121 in the bank column.
- (h) A cheque of Rs. 500 received from a debtor was recorded in the cash book but not deposited in the bank for collection.
- (i) One outgoing cheque of Rs. 300 was recorded twice in the cash book.

(Marks:10)

QNo.3 Machinery Account in the books of a concern was shown as follows—

- i) Balance as at 1st January,2009 :Rs.7450
- ii) Purchase of Machinery on July 1, 2009 :Rs.2200
- iii) Sale of Machinery on October,1,2009 : Rs.1000
- iv) The original cost of Machinery sold was Rs.3000 on 1st july, 2006
- v) Machinery is being depreciated at 10% per annum on diminishing balance of the asset.

Show the Machinery Account in the books of the concern for the year 2009. The books are closed on 31st December each year

(Marks:10)

QNo.4 'X' owed Rs.1200 on 1st Jan,2009 to 'Y'. The following transactions took place between the parties—

2009		
January,16	Y sold goods	Rs.800
January, 29	Y purchases goods	Rs.600
February,10	Y pays cash	Rs.600
February,10	X accepts a bill drawn by Y for one month	Rs.700

It is desired to settle the account between the two parties by one single payment on March 15, 2009 together with interest at 9% p.a. Ascertain the date and the amount and the amount paid.

(Marks:10)

QNo.5 (a) What is the difference between bill of exchange and Promissory note? Explain.

(Marks:10)

(b) How many days are allowed as grace period while calculating date of maturity of a Bill of Exchange or Promissory note? If the due date falls on a holiday, what shall be the due date of maturity?

(Marks:5)

QNo.6 What are the reasons for disagreement of trial balance? What are the type of errors which will not be disclosed by the trial balance in spite of the agreement?

(Marks:15)

QNo.7 (a) What are the grounds on which provision of depreciation is necessary?

(b) What are the various methods for providing depreciation? Explain any two.

(c) What are the entries required to be made on writing off depreciation?

(Marks:15)

QNo.8 (a) What is the importance of provision & reserve? For what purpose these Provisions and reserve meant for? Give examples.

(b) What is the distinction between Revenue reserve and capital revenue?

(Marks:15)

QNo.9 Define any five of the following commercial terms-

- (i) Petty cashbook
- (ii) Average Due date
- (iii) Bad debts
- (iv) Opening stock
- (v) Capital expenditure
- (vi) Depreciation
- (vii) Returns outward

(Marks:5)

HARYANA STATE SAS-I EXAMINATION, 2011

COMMERCIAL BOOKKEEPING (Elementary) (Without Books)- 2011

Time Allowed : 3 Hours

Max. Marks : 100

Note : 1. Question No. 1 & 9 are compulsory

2. Attempt 2 questions out of 3 practical questions from question nos. 2 to 4

3. Attempt any 3 questions out of 4 theory questions from question nos. 5 to 8

Q1. Prepare the trial balance, trading and profit and loss account of M/s Romi Ltd. from the following and a balance sheet as at March 31, 2010.

Drawings	6000	Advertisement	4528
Sundry debtors	38,200	Bills receivable	13,764
Carriage outwards	2,808	General expenses	8,978
Establishment expenses	16,194	Rates, taxes, insurance	7,782
Interest on loan	400	Carriage inward	7858
Cash in hand	6,100	Rent received	500
Stock	11,678	Discount	880
Motor car	18,000	Bills payable	5,428
Cash at bank	9,110	Bad debts provision	1,420
Land and Buildings	24000		
Bad debts	1250		
Purchases	134916		
Sales return	15642		
creditors	16,802		
Capital	60,000		
Loan on mortgage	17,000		
Sales	2,22,486		
Purchases return	2,692		

Adjustments

1. Depreciation on land and building at @ 5% and Motor vehicle at @ 15%.
2. Interest on loan is @ 5% taken on April 01, 2009.
3. Goods costing Rs1,200 were sent to a customer on sale on return basis for Rs. 1,400 on March 30, 2010 and has been recorded in the books as actual sales.
4. Salaries amounting to Rs. 1,400 and Rates amounting to Rs. 800 are due.
5. The bad debts provision is to be brought up to @ 5% on sundry debtors.
6. Closing stock was Rs. 13,700.
7. Goods costing Rs. 1,000 were taken away by the proprietor for his personal use but not entry has been made in the books of account.
8. Insurance pre-paid Rs. 350.
9. Provide the manager's commission at @ 5% on Net profit after charging such commission.

(Marks 10+10+10=30)

Q.No.2 Trial balance of Anant Ram did not agree. It showed an excess credit of Rs. 16,000. He put the difference to suspense account. Subsequently the following errors were located:

- (i) Cash received from Mohit Rs. 4,000 was posted to Mahesh as Rs. 1,000.

- (ii) Cheque for Rs. 5,800 received from Arnav in full settlement of his account of Rs. 6,000, was dishonoured. No entry was passed in the books on dishonour of the cheque.
- (iii) Rs. 800 received from Khanna, whose account had previously been written off as bad, was credited to his account.
- (iv) Credit sales to Manav for Rs. 5,000 was recorded through the purchases book as Rs. 2,000.
- (v) Purchases book undercast by Rs. 1,000.
- (vi) Repairs on machinery Rs. 1,600 wrongly debited to Machinery account as Rs. 1,000.
- (vii) Goods returned by Nathu Rs. 3,000 were taken into stock. No entry was recorded in the books.

Rectify the above errors and prepare suspense account to ascertain the original difference in trial balance.

(Marks 10)

Q3. On April 01, 2009, following balances appeared in the books of M/s Kanishka Traders: Furniture account Rs. 50,000, Provision for depreciation on furniture Rs. 22,000. On October 01, 2009 a part of furniture purchased for Rupees 20,000 on April 01, 2005 was sold for Rs. 5,000. On the same date a new furniture costing Rs. 25,000 was purchased. The depreciation was provided @ 10% p.a. on original cost of the asset and no depreciation was charged on the asset in the year of sale. Prepare furniture account and provision for depreciation account for the year ending March 31, 2010.

(Marks 10)

Q4. R had the following bills receivable and bills payable against S. Calculate average due date when the payment can be made or received without any loss or gain of interest to either party.

Bills Receivable			Bills Payable		
Date of the Bill	Amount (Rs.)	Tenure (in months)	Date of bill	Amount(Rs.)	Tenure (in months)
1.6.08	9,000	3	29.5.08	6,000	2
5.6.08	7,500	3	3.6.08	9,000	3
9.6.08	10,000	1	10.6.08	10,000	2
12.6.08	8,000	2	13.6.08	7,000	2
20.6.08	12,000	3	27.6.08	11,000	1

Holiday intervening in the period 15th August, 2008, 16th August, 2008, and 6th September, 2008.

(Marks 10)

Q5.(a) Briefly compare the merits of the following two systems from the theoretical and practical point of view :

(i) The straight line method

(ii) Diminishing balance method

(Marks 10)

(b) What are similar terms used for depreciation? Give examples of such terms so as to distinguish it from depreciation.

(Marks5)

Q6. (a) What are the advantages of self-balancing ledger system?

(Marks 5)

(b) From the following information furnished by X & Co., prepare Total Debtors Account. Transactions for the month of March, 2009 Rs.

(i) Sales (includes cash sales of Rs.7,000)	68,000
(ii) Collections from debtors (cash)	57,000
(iii) Discount allowed	2,000
(iv) Bad debts written off	1,500
(v) Cheques received	10,000
(vi) Cheques dishonoured	2,000
(vii) Return inward	700
(viii) Bad debts written off – now recovered	500
(ix) Provision for doubtful debts	1,200
(x) Balance outstanding on 1.3.2009 (Receivables)	20,000

(Marks 7)

Q6(c)What is meant by 'Red-Ink interest' in an Account Current?

(Marks 3)

Q7. Write short notes on the following

- (i) Promissory notes
- (ii) Bill of Exchange
- (iii) Account current

(Marks 15)

Q8.

(a)What is the distinction between Journal and ledger?

(Marks 7)

(b) What are two broad approaches of accounting? Explain

(Marks 8)

Q9. Define any five of commercial terms:-

- (i) Current Assets
- (ii) Sundry Debtors
- (iii) Trade discount
- (iv) Drawings
- (v) Bills receivable
- (vi) Secret Reserve
- (vii) Provision for discount on debtors

(Marks 5)

6

Paper: Commercial Book Keeping (without Books)

Time: 3 hours

Max. Marks: 100

Note:

- i. Q.No.1 and 9 are compulsory
ii. Attempt any two questions out of three practical questions. 2 to 4
iii. Attempt any three questions out of four theory question Nos 5 to 8
iv. All parts of the question attempted together

Q.No.1 On 31st March 2011, the following is the trial balance was taken from the book. Prepare trading & Profit and loss account and balance sheet from the following (30)

Table with 4 columns: Debit Balances, Amount, Credit Balances, Amount. Rows include Drawings, Debtors, Interest on Loan, Cash in hand, Stock on 1st April 2010, Motor Vehicles, Cash at bank, Building, Baddebts, Purchases, Sales returns, Carriage outwards, Carriage inwards, Salaries, Rate and taxes, Advertising, General expenses, Bill receivables, Capital, Sundry Creditors, Loan on mortgage, Provision for doubt, Full debts, Sales, Purchase Return, Discounts, Bills payable, Rent Received.

The following adjustment taken care of while preparing the accounts

- 1) Depreciate Building at 2.5 % and motor vehicles at 20%
2) Interest on loan at 6% P.A. is unpaid for six months.
3) Salaries amounting to Rs. 750 and rates amounting to Rs. 350 are outstanding
4) Prepaid insurance amounted to Rs. 150
5) Provision for doubtful debts is to be maintained at 5% on sundry debtors.
6) Provide for Manager's commission at 10% on net profits after charging such commission
7) Stock in hand on 31st March, 2011 was valued at Rs. 6250

Q.No.2 Prepare a Bank Reconciliation Statement from the following particulars as on 31st March, 2012 (10)

Debit balances as per bank column of the Cash Book	3,72,000
Cheques issued to creditors but not yet presented to the bank for payment	72,000
Dividend received by the bank but not entered in the cash book	5,000
Interest allowed by the bank	1250
Cheques deposited into the bank for collection but not collected upto this date	15400
Bank Charges	200
A Cheque deposited into the bank was dishonoured but no intimation received	320
Bank paid house tax on our behalf but no information received from the bank	350

Q.No.3 G Ltd. purchased a machinery on 1st May 2005 for Rs. 60,000. on 1st July 2006 it purchased another machine for Rs.20,000 on 31st March 2007, it sold off the 1st machine purchased in 2005 for Rs. 38,500 and on the same day purchased a new machine. Show the machinery accounts for three years. (10)

Q.No. 4 The accountant of a firm wrongly prepared the Trial Balance. You are required to draw up a correct Trial Balance. (10)

Particulars	DEBIT BALANCE	CREDIT BALANCE
Capital		20,000
Drawings		5,000
Purchases		90,000
Sales	1,30,000	
Returns inward	700	
Returns outward	900	
Carriage inwards	1100	
Carriage outwards	800	
Duty on purchases	2000	
Opening Stock	11,000	
Motor Van		6,000
Salaries		5,000
Rent	2,000	
Taxes	300	
Insurance	600	
Sundry Debtors	8000	
Sundry creditors	6000	

Cash in Hand	500	
Cash at bank		2500
Furniture	1000	
Land		20,400
Grand Total	1,64,900	1,48,900

Q.No.5 What is the main objective of preparing a Trial Balance? Give any four functions of a Trial Balance. (15)

Q.No. 6 (a) What are the characteristics of a Journal? (15)
 (b) Name different type of Cash Books used in the accounting books.

Q.No.7 While distinguishing between a reserve and a provision, explain the different types of Reserves. (15)

Q.No.8 What are the different classes of errors? Which errors do not affect a Trial Balance? (15)

Q.No.9 Answer any five of the following questions in one sentence. (5)

- a) What do you understand the term casting
- b) What is a trade discount?
- c) What is the meaning of the term Ledger
- d) Name the three types of accounts
- e) What is a promissory note?
- f) What is a bill receivable Book?
- g) What is a purchase book?

**Paper: Commercial Book Keeping
(without Books)**

Time: 3 hours

Max. Marks: 100

Note:

- i. Q.No.1 and 9 are compulsory
- ii. Attempt any two questions out of three practical question Nos. 2 to 4
- iii. Attempt any three questions out of four theory question Nos 5 to 8
- iv. All parts of the question attempted together

Q.No.1 The following is trial balance of xyz co. on 31st March, 2010. Prepare trading and profit and loss account and balance sheet of the firm after making the following adjustments. (30)

1. Value of closing stock Rs. 29,638
2. Depreciate plant and machinery 10 %, furniture 10 %, horses and craft Rs. 1000. Also write off goodwill by Rs.3000.
3. Provide 5 % for doubtful debts,
4. Prepaid expenses: insurance Rs. 300 and taxes Rs. 190
5. $\frac{1}{4}$ th of insurance and taxes, rent and general expenses to be charged to factory and the balance to office.
6. Advertising to be written off over three years.
7. Commission to manger at 10 % on the net profit after charging such commission.

Plant & Machinery	19,720		Capital	80,000
Wages	34,965		Creditors	50,160
Salaries	10,135		Bank loan	10,000
Furniture	9480		Purchase Return	1140
Freight on Purchase	1980		Provision for bad debts	6000
Freight on sales	2150		Sales	2,46,850
Building	25,000			
Manufacture Exp.	9455			
Fuel & Power	1276			
Electricity(Factory)	986			
Insurance and Taxes	4175			
Goodwill	30,000			
Rent	2,400			
Debtors	78,140			
Stable expenses	2473			
Opening Stock	34170			

Horses & carts	5165			
Purchases	97165			
Sales return	3170			
General Expenses	8000			
Bad debts	1485			
Interest and bank Charges	475			
Advertising	4500			
Bank Balance	7540			
Cash	145			
Total	3,94,150			3,94,150

Q.No.2 On June 30, 2011, the bank column of Hari's cash book showed a debit balance of Rs. 8250. On examination of the cash book and the bank statement you find that: (10 marks)

- i. Out of total cheques amounting to Rs. 8000 issued, cheques amounting to Rs. 5,800 have been presented for payment upto 30th June, 2011.
- ii. Out of total cheques amounting to Rs. 6000 sent to bank for collection, cheques of Rs. 4100 were credited in passbook upto 30th June, 2011
- iii. On 28th June a customer deposited Rs. 3500 direct in the bank account, but it was entered only in the pass book
- iv. Debit side of Hari's cash book(Bank column) has been overcast by Rs. 100
- v. No entry has been made in the cash book for the rent of Rs. 800 paid by bankers according to Hari's standing instructions.
- vi. The pass book showed a credit of Rs. 320 for interest and a debit of Rs. 40 for bank charges, but these have not been entered in the cash book.

Prepare a bank Reconciliation Statement as on 30th June, 2011

Q.No. 3 On 1st April, 2011, a company purchased machinery worth Rs. 50,000. On 1st October, 2013, it purchased additional machinery worth Rs. 10,000 and spent Rs. 1000 on its installation. The accounts are closed each year on 31st March. Assuming the annual depreciation to be 10%, show the machinery A/C for 5 years under Straight line method. (10 Marks)

Q.No. 4 Pass the necessary journal entries to rectify the following errors. (10 Marks)

- 1) A credit sale of Rs. 1700 to Ram has been recorded as Rs. 7100.
- 2) A credit sale of Rs. 1700 to Mohan was recorded as sales to Krishna.
- 3) A credit sale of Rs. 1700 to Asha was recorded as sale to Anshul as Rs. 7100.
- 4) A credit sale of Rs. 1700 to Mohan was recorded in the purchase book.
- 5) A credit sale of old machinery to sohan for Rs. 1700 was entered in the sales book for Rs. 7100

Q.No.5 Distinguish between: (15 Marks)

- a) Capital reserve and reserve capital
- b) One sided errors and two sided errors
- c) A bill at sight and bill after sight

Q.No.6 (a) Explain the objective and methods of preparing a trail balances. (15 Marks)
(b) While giving characteristics of a journal explain why journal is called a book of original entry.

Q.No. 7 (a) Explain the imprest system of petty cash book and its advantages. (15 Marks)
(b) Explain the advantages of subsidiary books

Q.No. 8 Enter the following transactions in a simple cash book. (15 Marks)

2012		Rs.
January 1	Ram Started Business with Cash	1,00,000
January 2	Opened a Bank a/c and deposited	50,000
January 3	Purchased goods for cash	20,000
January 3	Sold goods to Shyam on credit	5,000
January 5	Received from Shyam	3,000
January 7	Paid rent	4,000
January 8	Sold goods for cash	10,000
January 10	Withdrew from Bank	7,000
January 27	Purchased furniture	15,000
January 31	Paid Salary	5,000

Q.No. 9 Define any five of the following: (5 Marks)

1. Preference Shares
2. Current Assets
3. Return inwards
4. Non Performing assets
5. Specific Reserve
6. Subsidiary Books
7. Work in process