

PUNJAB STATE SAS EXAMINATION 2019

Part-I (LAD/OB)

PAPER: COMMERCIAL BOOK KEEPING

Time:-3 hours

M.M:150

Note: Attempt FIVE questions in all selecting THREE from Section-A and Two from Section-B. Question No.1 is Compulsory.

SECTION-A

- Q1: (a) Discuss in detail the objectives, advantages and structure of a Trial balance. (15)
- (b) Journalise the following transactions. Post them into ledger and prepare trial balance.

2007		Rs.
April 1	Rahul commenced business with cash	72,000
April 2	Deposited into bank	19,000
April 3	Bought furniture for office use	11,400
April 4	Drew from bank for office use	11,000
April 10	Purchased goods for cash	10,500
April 13	Bought goods of Harish	10,410
April 15	Paid trade expenses	10,100
April 18	Goods sold to Sunil	10,600
April 19	Paid wages	10050
April 25	Received cash from Sunil Allowed him discount	10,590 10
April 28	Paid rent	10,100
April 29	Paid Harish in full settlement	10,400
April 30	Interest on capital	100

(15)

- Q2: (a) Prepare trading and P/L account and balance sheet of the following balances:

	Dr.	Cr.
David's Drawings and capital	5,000	40,000
Leasehold land	25,000	--
Freehold Premises	20,000	--
Goodwill	7000	--
Trademarks	13,000	--
Plant & machinery	15,000	--
Fixtures & Fittings	2,000	--
Stock at commencement	18,000	--
Bill receivable & payable	4,000	6,000
Sundry debtors & creditors	16,000	24,000
Purchase & sales	80,000	1,50,000
Returns	1,000	2,000
Carriage 'in'	1,500	--

Carriage 'out'	500	--
Freight & duty	1200	--
Manufacturing wages	22,000	--
Coal, fuel & gas	800	--
Factory expenses	4,500	--
Salaries	18,000	--
Rent, tax & insurance	6,000	--
Commission	2,500	--
Interest	--	3,000
Discount	4,000	6,000
Stationary	500	--
Trading expenses	1800	--
Cash in hand	700	--
Bankers	--	39,000

Total:- Debit=Rs. 2,70,000 & Credit = Rs. 2,70,000.

Closing stock at the end of the year is Rs. 20,000.

(15)

Q2: (b) Differentiate between Balance sheet and Trial balance. Which items are usually found in the debit side of Trading Accounts? What are the two ways in which assets can be arranged in balance sheet?

(15)

Q3:- (a) The trial balance of Balak on 31st march 2008 showed a difference of Rs. 1,250 (excess debit). It was put to Suspense Account. On going through the books subsequently, the following errors were discovered. You are required to pass rectifying journal entries and prepare the suspense Account.

- Rs. 540 received from Mehta was posted to the debit of his account.
- Rs.385 being Purchase Returns were posted to the debit of purchases account.
- Discount Rs. 200 received, entered in the Cash Book was not posted to the ledger.
- Rs. 574 paid for repairs of motor car was debited to the motor car account as Rs. 174.
- A sale of Rs. 350 to Sethi was entered in the sales Book as of Rs. 530.
- While carrying forward total of one page in Sachin's account, the amount of Rs. 200 was written on the credit side instead of debit side.
- A Purchase of machinery for Rs. 6000 was entered in the Purchases account.

(15)

(b) Into how many classes are the errors divided? How would you rectify the errors in accounting? Write explanatory notes on errors of commission.

(15)

Q4: (a) Green limited purchased a machinery on 1st August, 2015 for Rs. 60,000. On 1st October 2016 it purchased another machine for Rs. 20,000. On 30th June 2017, it sold the first machine for Rs. 38,500 and on the same day purchased a new machinery for Rs. 50,000. Depreciation is provided at 20% p.a. on original cost each year. Accounts are closed each year on 31st March. Show the Machinery Account for three years.

(15)

(b) What are 'Secret Reserves'? Why and how they are created? Give reasons 'for' and 'against' their creation.

(15)

Q5 :(a) Ganga draws a two months bill on Jamuna for Rs. 6,000 on Sept. 1, 2005. Jamuna accepts and returns it to Ganga. Ganga endorses the bill in favour of Satluj on Sept. 15, 2005. Satluj thereafter, endorses the bill in favour of Beas on Oct. 1, 2005. On Oct. 4, 2005 Beas discounts the bill with the bank @ 8% p.a. Pass journal entries in the books of all the parties, assuming that the bill is honoured at maturity. (15)

(b) Explain Promissory Notes & Cheques. What elements should an instrument contains to be a Promissory note. Give an example of the specimen of Promissory Notes and Cheques. (15)

SECTION-B

Q6: (a) On 16th August, 1964, Robertson of Bombay sends goods costing Rs. 12,500 to Gupta Bros. of Delhi to be sold on consignment basis. Robertson insures expenses amounting to Rs. 267. The goods are receivable by Gupta Bros., on 20th August who immediately accept a bill of exchange payable after three months, for Rs. 8,000. On 23rd August, Robertson gets the bill discounted at 5% per annum. On 31st December, Robertson receives an Account Sales from Gupta Bros., showing that sales have been effected totalling Rs. 10,380. The expenses incurred by Gupta Bros., are entitled to a commission of 5% on sales. The cost of goods lying unsold with them is ascertained to be Rs.4,724. Give the journal entries and prepare important ledger accounts in the books of both parties assuming that the balance due from Gupta Bros., is received along with Accounts sales. (15)

(b) What is an Account Current? By What types of persons is it prepared? What is the significance of Average Due date? How is it calculated? Discuss. (15)

Q7:- (a) What is the meaning of Self balancing ledgers? What is the significance of self balancing? What are the advantages of Self balancing ledgers? Discuss. (15)

(b) From the Receipt and Payment Account given below, prepare the Income and Expenditure Account of Defence Club for the year ended March 31, 2019 and Balance sheet as at that date. (15)

Receipt	Amount (Rs)	Payment	Amount (Rs)
To Balance b/d	3,50,000	By Salary	14,00,000
Subscriptions		By General Expenses	3,00,000
2017-18 2,50,000		By Electricity Charges	2,00,000
2018-19 10,00,000		By Books	5,00,000
2019-20 2,00,000	14,50,000	By Newspapers	4,00,000
To Rent (From use of hall)	7,00,000	By Balance c/d	2,00,000
To surplus from entertainment	2,00,000		
To Legacy Donation	2,00,000		
To Sale of Old Newspapers	1,00,000		
	30,00,000		30,00,000

(i) The club has 50 members each paying an annual subscription of Rs. 25,000. Subscriptions outstanding on 31st March, 2018 were to the extent of Rs. 3,00,000.

(ii) On 31st March, 2019, salaries outstanding amounted to Rs. 1,00,000. Salaries paid during 2018-2019 included Rs. 3,00,000 for the year 2017-18.

(iii) On 1st April, 2018, the club owned building valued at Rs. 1,00,00,000, Furniture worth Rs. 10,00,000 and Books Rs. 10,00,000.

(iv) Legacy Donation is for construction of Gymnasium.

Q8:- (a) What do you mean by Auditing? Explain in detail the principles of Auditing. (15)

(b) From the information given below, prepare the Receipt and Payment Account of Old Man Recreation Club for the year ended March 31, ~~2019~~ 2019. (15)

Receipt	Amount (Rs)	Payment	Amount (Rs)
Opening Balance		Salaries	75,600
Cash in hand	20,000	Rent paid	4,800
Cash in Bank	50,000	Electricity Expenses	7,600
Subscriptions Received		Books Purchased	20,000
2017-18	7,000	10% Investment	
2018-19	1,21,600	Purchased (1 st	
2019-20	5,200	September, 2018)	30,000
Donation for building	70,000	Interest on 10%	
Donations for Match	14,000	Investments	1,750
Watch Expenses	6,000	Entrance Fee	4,000
		Closing Balance:	
		Cash in hand	25,600
		Cash at bank	?

PUNJAB STATE SAS EXAMINATION SEPTEMBER 2018
Part-I (LAD/OB)

PAPER: COMMERCIAL BOOK KEEPING

Time: 3 hours

M.M: 150

Note: Attempt FIVE questions in all selecting THREE from Section-A and Two from Section-B. Question No.1 is Compulsory.

SECTION-A

Q1: (a) State the meaning of Trial balance. Explain the objectives of preparing the Trial balance and infer the possibility of errors even if the trial balances tallies.

(15)

(b) Prepare ~~Trial Balance~~ of Ram enterprise as on 31st December, 2006.

Accounts Balances (Rs.)	Debit (Rs)	Credit (Rs)
Cash in hand		
Bank Overdraft	3100	
Opening Stock		18250
Purchases	24600	
Sales	59800	
Ram's Capital		72350
Drawings		50000
Carriage Inward	12000	
Rent	1600	
Commission	2400	
Interest		2100
Furniture	780	
Creditors	5220	
Debtors		13600
Building	27800	
Suspense	20000	1000
	<u>157300</u>	<u>157300</u>

(15)

Q2: (a) Prepare trading and P/L account and balance sheet of the following trial balance that have been taken out from the books of XYZ as on 31st December, 2005.

	Dr.	Cr.
Plant and Machinery	100,000	
Opening stock ✓	60,000	
Purchases ✓	160,000	
Building ✓	170,000	
Carriage inward ✓	3,400	
Carriage outward ✓	5,000	
Wages ✓	32,000	
Sundry debtors	100,000	
Salaries ✓	24,000	
Furniture	36,000	
Trade expense ✓	12,000	
Discount on sales ✓	1,900	
Advertisement ✓	5,000	

Bad debts ✓	1,800	
Drawings	10,000	
Bills receivable	50,000	
Insurance ✓	4,400	
Bank balances	20,000	
Sales		480,000
Interest received ✓		2,000
Sundry creditors		40,000
Bank loan		100,000
Discount on purchases ✓		2,000
Capital		171,500
	<hr/>	<hr/>
	795,500	795,500
	<hr/>	<hr/>

Closing stock is valued at Rs. 90,000

(15)

Q2: (b) Define Trading account and profit/loss account and balance sheet. Give the difference between Trading account and profit/loss account. (15)

Q3: (a) Rectify the following errors :

Credit purchases from Raghu Rs. 20,000

- (i) were not recorded.
- (ii) were recorded as Rs. 10,000.
- (iii) were recorded as Rs. 25,000.
- (iv) were not posted to his account.
- (v) were posted to his account as Rs. 2,000.
- (vi) were posted to Reghav's account.
- (vii) were posted to the debit of Raghu's account.
- (viii) were posted to the debit of Raghav.
- (ix) were recorded through sales book.

(15)

b) What is a suspense account? Is it necessary that is suspense account will balance off after rectification of the errors detected by the accountant? If not, then what happens to the balance still remaining in suspense account? Explain with examples. (15)

Q4: (a) Ishita Ltd. purchased on 1st January 1997, certain machinery for Rs. 1,94,000 and spent Rs. 6,000 on its erection. On 1st July 1997 additional machinery costing Rs. 1,00,000 was purchased. On 1st July and 1999, the machinery purchased on

1st January 1997 has been auctioned for Rs. 1,00,000 and on the same date, new machinery was purchased at a cost of Rs 1,50,000. Depreciation was provided annually on 31st December at the rate of 10% p.a. on the original cost. No depreciation need be charged during the year of sale of machinery for that part of the year when the machine was used. In 2001, however the company has changed the method of depreciation to written down value method at the rate of 15% p.a. from the straight line method. Show the machinery account for the period from 1997 to 2001.

(15)

- (b) Explain the meaning and purpose of creating funds and reserves. Explain the nature of all the types of funds and reserves including secret reserves. (15)

Q5 : (a) Explain Promissory notes. What elements should an instrument contains to be a Promissory note. Give an example of the specimen of Promissory notes. (15)

(b) On Jan 01, 2015 Sham sold goods to Ram for Rs. 10,000 and drew upon him a bill of exchange for 2 months. Ram accepted the bill and returned it to Sham. On the date of maturity the bill was dishonoured by Ram. Record the necessary entries in all the cases listed below in the books of Sham and Ram:

(i) When the bill kept by Sham till its maturity.

(ii) When the bill is discounted by Sham for Rs. 200.

(iii) When the bill is endorsed to Lal Chand by Sham. (15)

SECTION-B

Q6: (a) (i) Sharma, a partner in a firm has drawn the following amounts for the half year ended 30th June 2004: Jan 8= Rs 440; Feb 12= Rs 400; Mar 15= Rs 500; April 10 =Rs 480; May 6= Rs 400; June 8= Rs 400. Interest is charged at 10% p.a. Ascertain average due date and the amount of interest.

(ii) State the procedure for the calculation of Average due date. Give the details about the utility of the Average due date in accounting problems. (15)

(b) (i) What is consignment? Describe how the consignment account is maintained in the books of (a) consignor and (b) the consignee.

(ii) 1,000 toys consigned by Roy & Co. of Calcutta to T. Nu of Rangoon at an invoice cost of Rs 150 each. Roy & Co. paid freight Rs 10,000 and insurance Rs 1,500. During the voyage 100 toys were totally damaged by fire and had to be thrown overboard. T. Nu took delivery of the remaining toys and paid Rs 14,400 as customs duty. T. Nu sent a bank draft to Roy & Co. for Rs 50,000 as advance payment and later sent an account sales showing that 800 toys had been sold at Rs 220 each. Expenses incurred by T. Nu on godown rent and advertisement, etc., amounted to Rs 2,000 T. Nu was entitled to commission of 5 per cent. One of the credit customers

could not pay for 5 toys. Prepare the Consignment Account, T. Nu's account and Profit and Loss Account in the books of Roy & Co., assuming that nothing has been recovered from the insurers due to a defect in the policy. T. Nu settled his account immediately.

(15)

Q7: (a) The following is a summarized analysis of the accounts of the outstanding debtors of a firm at the date of the annual closing as appearing in one of their ledger:

Debtors	Goods Sold during the year	Goods returned during the year	Cash and Cheque received during the year	Discount Allowed during the year	Bills of Exchange received during the year
A	2,763	--	1500	--	1,000
B	6,514	23	3,200	130	3,500
C	3,987	15	2,000	40	2,200
D	5,762	--	4,100	--	--
E	9,385	117	6,300	93	3,500
F	8,426	426	--	--	2,300
G	4,931	82	2,200	49	3,800

There was an outstanding balance of the debtors to the extent of 3,985 at the beginning of the year. Out of the above receipts, a bill for 700 given by B was dishonoured and the charges amounted to Rs. 5. Show how you would proceed to agree the Trial Balancing according to Self-Balancing System. (15)

(b) Define Self balancing ledgers. Why there is a need for self-balancing? Give the division of ledgers. Give the advantages of self balancing ledgers. (15)

Q8: (a) (i) From the following particulars relating to Silver Point, prepare a Receipt and Payment account for the year ending March 31, 2015.

Particulars	Amount Rs.	Particulars	AmountRs.
(Opening cash balance)	1,000	Sale of old sports materials	1,200
(Opening bank balance)	7,200	Donation received for pavilion	4,600
Subscriptions collected for 2013-14 Rs. 500		Rent paid	3,000
2014-15 Rs. 7,600		Sports materials purchases	4,800
2015-16 Rs. 900	9,000	Purchase of refreshments	600
Sale of refreshments	1,000	Expenses for maintenance of tennis court	2,000
Entrance fees received	1,000	Salary paid	2,500
		Tournament expenses	2,400
		Furniture purchased	1,500
		Office expenses	1,200
		Closing cash in hand	400

PUNJAB STATE SAS EXAMINATION, JANUARY 2018
PART-I (LAD/OB)

PAPER: COMMERCIAL BOOK KEEPING

Time 3 hours

Max. Marks: 150

Note: Attempt FIVE questions in all selecting THREE from Section - A and TWO from Section - B. Question No. 1 is Compulsory.

SECTION A

Q.1

From the following balances and information received from the books of Pistowal on 31st

Particulars	Debit (Rs.)	Credit (Rs.)
		50000
Pistowala capital		
Plant and Machinery	18000	
Depreciation on plant and machinery	2000	
repair on plant	1600	
wages	28000	
salaries	4000	
income tax	500	
cash in hand	2000	
land and building	74500	
depreciation on building	2500	
purchases less return	123500	
sales		249000
overdraft	1500	
accrued income		2000
salaries outstanding	10000	
bills receivable		3000
bills payable		6000
provision for bad debts		
bad debts	1000	4000
discount on purchases	35000	
debtors		23300
sundry creditors	37000	
stock on 1st January	341100	341100
total		

Dec 2009 you are required to prepare final accounts.
Information:

1. Stock on 31st Dec, was Rs. 30000
2. Write off Rs 3000 bad debts and maintain a provision of 5% on debtors.

Expenses					new Kiln				
Profit		9500	-----		Stock 31st December	100000	1750	150000	27000
					Balance				43850
Total		52750		89600	Total		52750		89600

Examination revealed the following:

- (i) That no particulars had been kept of wages spent on building the kiln; men had worked part of their time in digging clay and watering in the kilns, and part on the building of new kiln.
- (ii) That the wages cost per 1000 bricks (including bricks spoiled) was higher by 5% in 2015 than in 2014.
- (iii) That in 2015 Rs 1500 of the salaries (included in H.O. Expensed), Rs 25000 of the stores, fuel etc. and Rs 2500 of the head office expenses were attributable to the new kiln.
- (iv) That Employer's liability insurance was at a premium of 1/2% of wages included in sundry Expenses.

Construct the Brickyard Account for 2015 duly adjusted and show the amounts chargeable to capital expenditure and /or elsewhere in respect of the new kiln.

(Marks 30)

Q. 8 (a)

From the following income and expenditure account of premium sports club for the year ended 31st March 2015, you are required to prepare receipt and payment account for the year ended 31st March 2015 and Balance Sheet as on that date:

Expenditure	Amount Rs.	Income	Amount Rs.
To Salaries	118800	By Subscriptions	420000
To Rent	216000	By Entrance Fee	120000
To Printing and Stationery	28000	By Profit on sale of Sports Material	5500
To Postage and Telephone	41600	By Interest on Govt. Bonds	12000
To Membership Fee	3200	By Sale of Old Newspaper	11600
To Electricity Charges	38500		
To Garden Upkeep	19300		
To Sports Material Utilised	62800		
To Repairs and Maintenance	18700		
To Depreciation	13000		
To Misc Expenses	5700		
To Surplus carried to Capital Fund	3500		
Total	569100	Total	569100

150000
270
43850
70

Following additional information is provided to you:

Particulars	Balances as on 1-4-2014	Balances as on 31-3-2015
Fixed Assets	240000	?
Bank Balance	8300	?
Stock of Spors Material	43450	35670
Outstanding Subscriptions	10200	5700
Subscriptions Received in advance	2400	4900
8% Govt. Bonds	150000	150000
Outstanding Salaries	16000	14300
Outstanding Rent	21000	15000
Advance For Stationery	1350	1550
Outstanding Repairs and Maintenance	1200	Nil
Creditors for purchase of Sports Material	3400	4200

- (b) Some of Fixed Assets wer purchased on 1-10-2014 and depreciation is to be charged @ 5% p.a.
- (c) Sports Material Worth Rs 72000 was purchased on credit during the year.
- (d) The club became member of State Table Tennis Association on 1-1-2015 when it paid fee upto 31-12-2015
- (e) 50% of Entrance Fee is to be capitalised.
- (f) Interest on 8% Govt. Bonds was received for two quarters only.
- (g) A Fixed Deposit of Rs 80000 was made on 31st March, 2015.

(Marks 25)

Q.8(b)

A firm has adopted the self balancing system with their purchase and sale Ledgers, the adjustment account for these being kept in the general ledger. Since the date on which accounts were last made up the following errors have been discovered:

- (a) an overcast of Rs 100 in the sales book;
- (b) an item of Rs 420 in the returns outwards book has been posted to the personal account as Rs 240;
- (c) a credit of Rs 2140 for goods returned has been entered in the account of a customer in the Sales Ledger, no other entry whatever being made;
- (d) discount amounting to Rs 150 received during a certain month have not been posted to discount account in the General Ledger (The posting to the other accounts concerned has been correctly made);

- (e) a trade discount of Rs 100 has been debited to a supplier's account in the bought ledger and posted direct to the credit of purchases account in the general ledger, no further entry being made;
- (f) the posting to the sales ledger adjustment account of a bill for Rs 300 received from a customer has been omitted;
- (g) Goods returned for Rs 150 by Rajesh were not entered in the books;
- (h) a cheque for Rs 500 received from Umesh was wrongly posted to the account of Suresh.

Rectify the above errors

(Marks 5)

PUNJAB STATE SAS EXAMINATION, SEPTEMBER 2016
PART - I (ORDINARY BRANCH/LAD)
PAPER : COMMERCIAL BOOK KEEPING

Time: 3 hours

Max.Marks: 150

Note: Attempt Five question in all, Selecting THREE question from Section - A and TWO from Section -B.
Question No. 1 is compulsory.

Section - A

Question 1. The following is the Trial Balance of a trader as at 31st December, 2005

Debit Balances	Rs.	Credit Balances	Rs.
Stock	46800	Neu's Captial Account	108090
Sales Return	8600	Sales	289600
Purchases	243100	Purchase Return	5800
Freight and Carriage	18600	Sundry Creditors	14800
Rent, Rates etc.	5700	Bank Loan at 6%	20000
Salaries and Wages	9300	Income from Investments	250
Sundry Debtors	24000	Discount	4190 ✓
Bank Interest	900 ✓		
Printing & Advertizing	14600		
Cash at Bank	8000		
Investments	5000		
Furniture & Fittings	1800		
Discounts	7540		
General Expenses	3910		
Audit Fees	700		
Insurance	600		
Travelling Expenses	2330		
Postage and Telegrams	870		
Cash in hand	380		
Deposit with Pran	30000		
Drawing Account	10000		
Total	442730	Total	442730

Adjustments:

- i. Stock at the end was Rs. 78600
- ii. Included amongst the debtors is Rs. 3000 due from Zeenat and included amongst the creditors is Rs. 1000 due to her.
- iii. The effect of advertising not yet expired, a quarter the amount Printing and Advertising is to be carried forward to the next year.
- iv. Reserve 2% for discount on debtors and create a bad debts reserve at 5%
- v. A depreciation of 10% P.A. is to be written of furniture and fitting
- vi. Wages owing on 31st Dec 2005 is Rs. 300 Salaries owing Rs. 500 and carriage owing Rs. 100
- vii. Prepaid insurance is Rs. 80
- viii. Furniture which stood at 600 in books on 1st Jan 2005 was disposed off at Rs. 290 on June 30 in part exchange for new furniture costing Rs. 520. A net invoice at Rs. 230 was passed through the purchases day book.
- ix. Purchase invoice amounting to Rs. 400 had been omitted from the books.
- x. A Neon-sign costing Rs. 100 is including in Advertizing
- xi. Two dishonoured cheque for Rs. 200 and Rs. 300 respectively had not been entered in the cash book the first for Rs. 200 is known to be bad. In the case of a second cheque for Rs. 300 it is expected that 75% of it would be realised
- xii. Private purchase amounting to Rs. 600 had been included in the purchase day book
- xiii. Charge full year's interest on Deposit with Pran at 7% P.A.
- xiv. Provide for interest on Bank loan for the amount due prepare final accounts

Prepare Final Account

Marks (30)

Question 2. (A) Mersrs Assam Carriers make up their accounts on 31st December annually. At 1st January, 1971 their fleet of lorries was as follows:

Vehicle:	Roadstars	Roadking	Roadmaster
Cost	Rs. 30000	Rs. 36000	Rs. 48000
Accumulated Depreciation	Rs. 22500	Rs. 18000	Rs. 24000

Depreciation was charged @25% per annum on straight line Method, full years depreciation being charged in the year of acquisition and non in the year of disposal.

They decided to modernise the fleet and following transaction took Place:

cluded amongst the
y Advertising is

4. On 31st March 1997 Purchased lorry 'Roadfinder' for Rs. 60000 giving lorry 'Roadstar' in part exchange value Rs. 12000
- On 30th April 1997 purchased lorry 'Roadeagle' for Rs. 60000
- On 30th June 1998 sold 'Roadking' for Rs. 7500 and Purchased lorry 'Roadhawk' for Rs. 36000
- On 31st July 1998 a second hand lorry 'Roadworthy' was purchased for Rs. 16800

You are required to prepare Motor Lorry Disposal, Accumulated Depreciation and Profits and Loss Account for the year ended 31st Dec 1997 and 1998 and show the motor vehicles in the Balance Sheet at those dates

Marks (20)

Question 2 (B): Write a Note on

- i. Depletion Method of Providing depreciation
- ii. Sinking Fund Method of Providing depreciation
- iii. Revaluation Method of Providing depreciation

Marks (10)

Question 3 (a) Enter the following transaction in three columnary cash book, Balance it and carry out the posting:

- 2009
- Nov. 1 Balance of cash in hand Rs. 4000 and in Bank Rs. 10000
 - Nov. 2 Received cash from Mohan Rs. 1000 and allowed him discount Rs. 30
 - Nov. 3 Paid into Bank Rs. 2000
 - Nov. 4 Paid to Dinu & Co. by cheque Rs. 320 in full settlement of their account for Rs. 350
 - Nov. 5 Received from cash sale cash Rs. 275 and cheque Rs. 225
 - Nov. 6 Paid for cash Purchases by cheque Rs. 645
 - Nov. 7 Paid by cheque to Radha & co. Rs. 725 in full settlement of Rs. 800
 - Nov. 8 Drew for office use Rs. 900 and Rs. 100 for personal use from bank.
 - Nov. 11 Paid cash for advertisement Rs. 45
 - Nov. 15 Drew a cheque of Rs. 500 for personal use
 - Nov. 19 Paid salaries to staff by cheque Rs. 1250
 - Nov. 20 Paid Life Insurance premium Rs. 300
 - Nov. 23 Paid Rent rs. 400
 - Nov. 26 Purchased by cheque, office furniture Worth Rs. 375
 - Nov. 30 Received a cheque of Rs. 580 from Maya & co in full settlement of their account Rs. 620

Marks (15)

Question 3 (b) Prepare the Bank Reconciliation statement from the following data as on 30-11-2011

- I. Balance as per the pass book 30.11.2011 (Dr.) Rs. 9204
- II. Cheque drawn on 30.11.2011 but not cleared till december 2011: Rs. 3225, Rs. 745 and Rs. 926
- III. Bank Interest on overdraft not entered in the cash book Rs. 1610
- IV. cheque received on 29.11.2011 entered in the cash book but not deposit to bank till December 2011 Rs. 11322 and Rs. 1730
- V. Cheque received amounting to Rs. 35 entered in the cash book twice

- VI. B/R due on 29.11.2011 was sent to the Bank for collection on 28.11.2011 : it entered into the cash book forthwith but the proceeds were not credited by bank 3rd December 2011 Rs. 2980
- VII. A periodic payment by bank for Rs. 80 under standing instructions not entered in the cash book
- VIII. Cheque deposit on 30.11.2011 dishonoured but not entered in the cash book Rs. 1890

Marks (10)

Question 3 (c) What are the cause of disagreement in the pass book and cash book balance? How would you reconcile them?

Marks (10)

Question 4 (a) A draws on B three bills on 01-11-1997 of Rs. 1000000, Rs. 300000 and Rs. 500000 on account of the sale made of the even amount. The bills respectively are of 5 months, 04 months and 03 months duration. A discount for the first bill from State bank of India on 04-12-1997 @18% p.a. and endorses the second bill to his creditor C in full settlement of his claim of Rs. 310000 and retains the third bill till maturity. Before the maturity of the third bill, B expressed his inability to honour the bill and asked A to renew the bill for next 04 months with interest @ 17% p.a. A agreed to the proposal. Before the due date of the 2nd bill, B again approached A for accommodation to clear the bill and to give him a loan of Rs. 100000. However A was also cash strapped at the time. They both agreed to A accepting a bill drawn by B for Rs. 400000 for 04 months which he got discounted @18% p.a. from his bank. The 1st bill was dishonoured on the due date and bank paid noting charges of Rs. 10000. Before the due date of the 4th bill, B again approached A, this time along with a part payment of Rs. 200000 and request to make a new bill for 03 months along with interest @17% p.a. 10 days before the maturity of the 5th bill, it became public that B had become insolvent and his estate paid a dividend of 30 paise in a rupee.

Pass the necessary Journal entries in the books of A assuming that he closes his books on 31st December every year.

Marks (20)

Question 4 (b) Given Proforma of Bills Payable and Bills Receivable and state the Procedure of Posting them to ledger

Marks (10)

Question 5 (a) Radhey Shyam purchased goods from Hariram during the year 1998, the due dates for payment in cash being as follows:

March 15.....	Rs. 400 due April 18
April 21.....	Rs. 300 due May 24
April 27.....	Rs. 200 due June 30
May 15.....	Rs. 250 due July 18

Hariram agreed to draw a bill for the total amount due on the average due date. Ascertain that date

Marks (15)

Question 5 (b) Following transaction took place between X and Y during the month of April 1998:

Date	Particulars	Rs.
01-04-98	Amount Payable by X to Y	10000
07-04-98	Received acceptance of X to Y for 02 months	5000
10-04-98	Bill receivable (accepted by Y) on 07-02-98 is honoured on this due date	10000
10-04-98	X sold goods to Y (due date 10-05-98)	15000
12-04-98	X received cheque from Y (Due date 15-05-98)	7500
15-04-98	Y sold goods to X (Due date 15-05-98)	6000
20-04-98	X return goods sold by Y on 15-04-98	1000
20-04-98	Bill accepted by Y is dishonoured on this due date	5000

Draw A account Current Marks (10)

Question 5 (c) write a short not on red ink interest Marks (05)

Section -B

Question 6 (a) Trendy dress makes of calcutta consigned 400 bales of cotton goods to Sri Manohar of Mysore on 01-01-98. The Cost price was Rs. 600 per bale but the consignment invoice was made out at a figure to show a gross profit of 25% on cost price. Sri Manohar reported on 31-01-98 that he had sold $\frac{3}{4}$ th of the consignment at a profit of 25% on sales and he had incurred Rs. 2500 by way of freight and landing charges etc. and also Rs. 1500 by way of godwon rent etc. exclusive of his commission. Consignor spent Rs. 1200 earlier as expenses in dispatching the goods Sri Manohar is entitled to a commission of 5% on sales and 20% of sales less consignee's expenses as bonus after charging up both the commission and the bonus on 01-02-98 Sri Manohar sent a bank draft for the amount so far due from him.

Prepare the necessary accounts in the books of the consignor and Consignee Marks (20)

Question 6 (b) Briefly explain the normal loss and abnormal loss in consignment. Marks (10)

Question 7 (a) From the following particulars prepare the consignment Ledger Adjustment Account, Consignee Ledger Adjustment Account in the Main Ledger and General Ledger Adjustment Account in the consignment ledger and consignee ledger of Kapoor enterprises for the quarter ended on 31-03-98

Place	Consignment Stock (Opening)	Goods sent on Consignment	Expenses Consignor	Expenses Consignee	Consignment Sale	Consignment Stock (closing)	Cash Paid By Consignee
Chennai	600	3000	300	400	4000	500	2000
Mumbai	800	7000	800	700	8000	400	5000
Calcutta	1000	8000	1200	1100	9000	1100	7000
Cochin	900	10000	1300	1300	13000	1000	10000
Amritsar	400	9000	1200	1000	13000	600	9000

Total	3700	37000	4800	4500	47000	3600	33000
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Commission in each case is 6% on sales.

Marks (20)

Question 7 (b) What is meant by control account? Which are the control account which are normally maintained in the general ledger

Marks (10)

Question 8 (a) The charitable Dispensary of Agra had the following Balance sheet on 31st December 1998

Balance Sheet as at December 31, 1998

Liabilities		Amount	Assets		Amount
Salaries Payable		3000	Cash		1500
Subscriptions received in advance		500	Equipment		8000
Capital Fund: As on 1st Jan 1998	11200	15600	Stock of Medicines		1600
Add: Life Membership	2500		Furniture & Fitting		6000
Surplus	1900		Subscriptions Due and Receivable		2000
		19100			19100

ows standing.

The Accompanying Income and Expenditure Account was the following:

Income and Expenditure Account for the year ended Dec 31, 1998

Dr.			Cr.
To Salaries	35000	By Entrance Fees	300
To Cost of Medicine used	6700	By Subscriptions	36100
To Depreciation of Equipment	600	By Miscellaneous Receipts	150
To Miscellaneous Expenses	1500	By Profit on sale of old furniture (Book value Rs. 1500)	200
To Surplus	1900	By Grant from Municipal Corporation	8950
	<u>45700</u>		<u>45700</u>

You learn that on 31st December 1997 equipment stood at Rs. 6000 subscription due and receivable totalled Rs. 2500 where subscription already received for 1998 were Rs. 700. Stock of Medicine on December 31, 1997 was Rs. 1100

of 1997.

Prepare the Receipt and Payment account of the Dispensary for 1998

Marks (20)

Question 8 (b) Show the treatment of item of income and expenditure when there is a specific fund for those items.

Marks (10)