

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.

(Marks 5)

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)