

**HARYANA STATE SAS-I (OB) / EXAMINATION 2024**  
**TREASURIES & ACCOUNTS DEPARTMENT, HARYANA**  
**Commercial Book Keeping (Elementary)**

**(Without books)**

**Time Allowed: 3 Hours**

**Max. Marks 100**

**Note: - Question Number 1 and 10 are compulsory.**

**Q. No. 1)** From the following particulars for the year ending 31<sup>st</sup> March, 2023 of M/s. ABC Company, prepare Trading and Profit and Loss Account and Balance Sheet on that Date:

<b>Debit balance</b>	<b>Amount Rs</b>	<b>Credit balance</b>	<b>Amount Rs</b>
Opening stock	16,000	Capital	1,00,000
Purchases	40,000	Sales	1,60,000
Return inwards	3,000	Return outwards	800
Carriage inwards	2,400	Apprenticeship premium	3,000
Cash at bank	13,900	Bills payable	5,000
Wages	6,600	Creditors	5,31,600
Salaries	11,000		
Rent	2,200		
Freight and Dock	4,800		
Fire Insurance premium	1,800		
Bad debts	4,200		
Discount	1,000		
Business premises	1,10,000		
Furniture	5,000		
Bills receivable	7,000		
Machine	9,000		
Loan	5,10,000		
Investment	6,000		
Cash in hand	40,500		
Proprietor's withdrawal	6,000		
	<b>8,00,400</b>		<b>8,00,400</b>

*Consider the following Adjustments for preparation of Trading Account, Profit and Loss Account and Balance Sheet.*

1. Closing stock Rs. 14,000.
2. Wages outstanding Rs. 600, Salaries Outstanding Rs. 1,000, Rent outstanding Rs. 200.
3. Fire Insurance premium includes Rs. 1,200 paid in Oct 01, 2022 to run for one year from Oct 01, 2022 to September 30, 2023.
4. Apprenticeship Premium is for three years paid in advance on April 01, 2022.
5. Depreciation on Premises @ 5%, furniture @ 10%, Machinery @ 10%.

6. Interest on investment @ 5% has accrued. Investment was made on March 31, 2023  
 7. The manager is entitled to a commission of 10% at the net profit calculated after charging such commission  
**(10+10+10 = 30 Marks)**

**From question number 2 to 4 (Answer any two questions out of three questions)**

**Q. No. 2) (a)** From the following particulars, prepare a bank reconciliation statement as on March 31, 2023.

- i. One outgoing cheque of Rs. 5300 was recorded twice in the cash book.
- ii. A cheque for Rs. 1,000 deposited but not recorded in the cash book.
- iii. A cash deposit of Rs. 10200 was recorded in the cash book as if there is not bank, column therein.
- iv. A cheque issued for Rs. 5250 was recorded as Rs. 205 in the cash column.
- v. The debit balance of Rs. 1,500 as on the previous day was brought forward as a credit balance.
- vi. The payment side of the cash book was under cast by Rs. 100.
- vii. A cash discount allowed of Rs. 112 was recorded as Rs. 10121 in the bank column.
- viii. A cheque of Rs. 500 received from a debtor was recorded in the cash book but not deposited in the bank for collection.
- ix. Debit balance as per cash book is Rs. 10,000.

**(b)** Trial balance of Anurag did not agree. Anurag put the difference to suspense account. He located the following errors. Pass necessary journal entry

- (i) Goods returned to Ram Rs. 1,000 were recorded through sales book.
- (ii) Credit purchases from M & Co. Rs. 8,000 were recorded through sales book.
- (iii) Credit purchases from S & Co. Rs. 5,000 were recorded through sales book. However, S & Co. were correctly credited.
- (iv) Salary paid Rs. 2,000 was debited to employee's personal account.

**(6+4) = 10 Marks)**

**Q. No. 3)** The following figures have been taken from the books of M Ltd. as on 31.12.2022

Stock of Raw Materials on 1.1.2022	Rs. 35,000
Stock of Raw Materials on 31.12.2022	Rs. 5,000
Purchase of Materials	Rs. 50,000
Factory Wages	Rs. 45,000
Factory Expenses	Rs. 17,500
Establishment Expenses	Rs. 10,000
Finished Stock on 1.1.2022	Rs. 15,000
Finished stock on 31.12.2022	Rs. 7,500
Sales	Rs. 2,00,000

The Company manufactured 4000 units during the year 2022. The company is required to quote for the price for supply of 1000 units during the year 2023. The cost of material will increase by 15% and factory labour will cost more by 10% in the year 2023.

Prepare a statement showing the price to be quoted for 1000 units during the year 2023 to give the same percentage of net profit on sales as was realized during 2022, giving the following information:

1.Prime Cost. 2.Works Cost. 3.Cost of Production. 4.Total Profit.

**(5+5 = 10 Marks)**

**Q. No. 4)** M/s M. and Sons acquired a machine for Rs. 1,80,000 on October 01, 2020, and spent Rs 20,000 for its installation. The firm writes-off depreciation at the rate of 10% on original cost every year. Half of the machinery was sold on 31<sup>st</sup> March 2023 for Rs. 40,000.

Record necessary journal entries and draw up Machine Account for first three years given that:

- (i) The book of accounts closes on March 31 every year; and
- (ii) The firm charges depreciation to asset account.

**(5+5 = 10 Marks)**

**Question Number 5 to 9 (Answer any three out of five)**

**Q. No. 5)** While distinguishing between a reserve and a provision, explain the different types of Reserves.

**(10+5= 15 Marks)**

**Q. No. 6)**

- (a) Describe the objectives/purposes of accountancy
- (b) Write short note on the limitations of Financial Statements.
- (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.

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

**Q. No. 7)**

- (a) Define and write the distinction between bills of exchange and promissory note.
- (b) Explain any four essential features of bill of exchange.
- (c) State the parties involved in a bill of exchange.

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

**Q. No. 8)** Decide whether the following receipts are capital or revenue and show how they will be dealt in the accounts and also state their amount:

- i. Owner's contribution towards capital of Rs. 1,00,000;
- ii. Entrance fees of Rs. 2,000 received by Ram and Shyam a social club;
- iii. Sale price of machinery of Rs. 40,000 (book value on the date of sale Rs. 35,000);

- iv. Sale revenue of Rs. 50,00,000 received by Maruti Udyog Ltd. on account of sale of cars;
- v. Subsidy of Rs. 40,000 received from the Government by a manufacturing concern.

**(5\*3=15) Marks**

**Q. No. 9) (a)** What do you mean by self-balancing ledgers? Discuss the main advantages and disadvantages of self-balancing ledgers

**(b)** Distinguish between single entry system and double entry system.

**(8+7 = 15) Marks**

**Q. No. 10)** Define any two out of three commercial terms-

- (i) Average Due date
- (ii) Capital expenditure
- (iii) Depreciation

**(2.5\*2 = 5) Marks**