

DEPARTMENTAL EXAMINATION FOR OFFICERS OF  
THE DIRECTORATE OF COMMERCIAL TAXES

ACCOUNTANCY (WITHOUT BOOKS)

November, 2017

Time Allowed : 3 Hours

Full Marks : 100  
Pass Marks : 50

Answer any five questions

- (1. AB Transport Co. purchased five trucks from CD Auto Ltd. on 1.1.2015 on hire-purchase system. The cash price of each truck was Rs.1,20,000. The payments were to be done as follows :-

i) 15% of cash price down

ii) 25% of cash price at the end of each year for 4 years. AB Transport Co. writes off 15% depreciation annually. The payment due on 31st December, 2016, could not be made. CD Auto Ltd. agreed to leave three trucks with the buyer on the conditions that the value of the other two trucks would be adjusted against the amount due, the trucks being valued at cost less 25% depreciation.

Show the necessary accounts in the books of AB Transport Co. 20

- (2. The following is the trial balance prepared by Abani Traders as on 31.12.2016 :-

Trial Balance as on 31.12.2016

	<u>Dr.</u> Rs.	<u>Cr.</u> Rs.
Land	3,20,000	
Capital		5,00,000
Creditors		45,000
Furniture	40,000	
Debtors	80,000	
Opening stock	60,000	
Closing stock	75,000	
Purchase (less Closing stock)	1,30,000	
Goods sent on consignment		30,000
Rent	9,000	
Provision for doubtful debt		10,000
Provision for depreciation		15,000
Bank loan (Interest 15% p.a.)		10,000
Consignment profit		5,000
Discount	6,000	4,000
Carriage Inward	1,000	
Carriage Outward	5,000	
Return Inward	4,000	
Salary	40,000	
Advertisement	10,000	
Stationery	5,000	
Advance salary	3,500	
Electricity	6,800	
Sales		2,10,000
B/payable		15,000
Cash at Bank	20,000	
Cash in hand	28,700	
	8,44,000	8,44,000
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-: 2 :-

Other information :-

3. (a) The Closing stock was valued at market price. But the cost price per unit of product was Rs.12 which at that time was lower than market price by Rs.3.
- (b) Debtors Account included Rs.35,000 which was receivable from the consignee. Bad debt was Rs.3,000 and 5% provision for doubtful debt was to be made on debtors.
- (c) Depreciation on assets was to be charged @ 10% p.a. on diminishing balance method.
- (d) Advertisement benefit would be received for 5 years.
- (e) Cash found short by Rs.1,000 at the time of cash counting.

Prepare Trading Account, P/L Account for the year ended 31.12.2016 and prepare a Balance Sheet as on that date. 20

3. A, B and C were partners sharing profits and losses as 2 : 2 : 1. They introduced on 1.1.2011 capitals Rs.12,000, Rs.10,000 and Rs.8,000 respectively. They decided to keep the capitals fixed and provide interest on capital @ 10% p.a. thereon. Drawings by them were made as Rs.150, Rs.100 and Rs.75 p.m. respectively but no interest was charged on such drawings.

On 31.12.2016 Mr. A died and his legal representative was entitled to his capital, his share of unknown profit and his share of goodwill based on three years' purchase of the average profits of the last six years before charging interest on capital.

On 31.12.2016 the following were the assets and liabilities :-

Fixed assets Rs.25,000, Debtors Rs.17,000, Stock Rs.28,000, Cash at bank Rs.10,000, Mortgage loan (taken) Rs.15,000, Creditors Rs.10,000.

Calculate profit/loss for the six years ending 31.12.2016, value of the goodwill and show deceased partner's account. 20

4. Mr. S. Banerjee kept his books under single entry system. You are to prepare total Debtors a/c, total Creditors a/c, Bills Payable a/c and Bills Receivable a/c from the following information of 2015-2016. Find out also total Sales and total Purchase. Balances as on 1.4.2015 :-

	(Rs.)
Debtors	56,250
Creditors	43,525
Bills Receivable	30,200
Bills Payable	15,275

Other transactions during 2015-2016 -

Cash sales	10,280
Cash purchase	18,530
Cash paid to creditors (including Rs.2,000 for purchase of office furniture)	26,500
Cash received from debtors	31,960
Discount earned from suppliers	2,325
Bad debt written off	3,200
Return Inward	2,650
Discount allowed	3,150
Return Outward	2,000
Payment for Bills Payable	16,000
Cash received for Bills Receivable	28,300

Contd...P/3.

-: 3 :-

Closing Balances as on 31.3.2016 :-

	(Rs.)
Debtors	52,450
Creditors	39,000
Bills Receivable	27,200
Bills Payable	27,900

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- (5. (a) Mention the different ways how cash can be misappropriated.  
 (b) Mention the different ways how goods can be misappropriated.  
 (c) Mention the ways how accounts can be manipulated. 7 + 7 + 6
- (6. Write notes on :-  
 (a) Non-statutory audit  
 (b) Audit programme  
 (c) Continuous audit  
 (d) Audit File 5 x 4
- (7. (a) Discuss the auditor's duties regarding payment of wages.  
 (b) How would you verify and value the debtors ? 10 + 10
8. How would you verify the following ?  
 (a) Sale of goods on "Sale or Return" basis.  
 (b) Consignment sale  
 (c) Cash Sales 5 + 5 + 10
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