

HALF-YEARLY DEPARTMENTAL EXAMINATION FOR OFFICERS OF THE DIRECTORATE OF  
COMMERCIAL TAXES  
May, 2019  
ACCOUNTANCY- (WITHOUT BOOKS)

Time Allowed: 3 Hours

Full Marks: 100  
Pass Marks: 50

Answer any five questions :-

✓ 1. A and B are equal partners in a firm. Mr. C is admitted in the firm and he brings Rs.5,000 as capital. The old partners decided to alter the value of assets and liabilities according to current valuation but that would not be recorded permanently in the books. The new P/L ratio will be 4:4:1. The balance sheet at the time of admission was as follows :-

<u>Liabilities</u>	<u>Rs.</u>	<u>Assets</u>	<u>Rs.</u>
Creditors	6,000	Bank	2,000
Capital A/cs-A -	12,000	Stock	5,000
B -	8,000	Debtors	9,000
		Furniture	10,000
	26,000		26,000
	=====		=====

The following revaluation of assets and liabilities are to be made :-

✓ Furniture Rs.9,000, Debtors Rs.8,500, Stock Rs.6,000,  
✓ Creditors Rs.6,400.

Prepare Memorandum Revaluation A/c, Partners' Capital A/cs and a revised Balance Sheet. 20

✓ 2. Wadekar of Bombay sent 1000 tons of sugar invoiced at a cost price of Rs.2,000 per ton to Pele of Washington on consignment basis. Pele would receive 10% on gross sale proceeds. Wadekar paid Rs.50,000 for freight and Rs.20,000 for insurance. Pele sent an account sale showing sale of goods at \$ 275 per ton. Dock charges \$ 5,000 and godown rent \$ 3,000 were paid by Pele. A bank draft for \$ 2,39,500 was enclosed with the Account sale for the balance due to Wadekar. Wadekar got Rs. 21,16,300 only according to the prevailing rate of exchange on the date of encashment of the draft.

Show necessary accounts in the books of Wadekar particularly consignment A/c and Pele A/c.

Gross sale proceeds, expenses and commission are to be converted into rupees at \$ 10,3334 = Rs.100. Show also two columns in each side of Pele A/c showing separately \$ amount and Rs. amount. 20

P. T. O.

-: 2 :-

3. Prepare a Trial Balance, a Trading and Profit & Loss Account for the year ended 31.12.2018 and a Balance Sheet also as on 31.12.18 from the following balances in the ledger accounts :-

	Rs.
Capital account $\swarrow$	1,00,000
Cash in hand $\swarrow$	1,200
Purchase $\swarrow$	1,20,000
Bills payable $\swarrow$	22,000
S/Creditors $\swarrow$	24,000
Sales $\nwarrow$	2,00,000
Opening Stock $\nwarrow$	35,000
Bad debt reserve $\swarrow$	1,200
Debtors $\swarrow$	50,000
Plant & Machinery $\swarrow$	60,000
Furniture $\swarrow$	15,000
Bills receivable $\swarrow$	20,000
Rent & Taxes $\swarrow$	10,000
Wages $\nwarrow$	16,000
Salaries $\swarrow$	20,000

The following adjustments are also to be made :-

- (a) Closing Stock Rs.40,000 ;
- (b) Rent and taxes outstanding Rs.2,000 ;
- (c) Wages Rs.3,000, outstanding ;
- (d) Salaries outstanding Rs.4,000 ;
- (e) Depreciation on plant & machinery 5%, furniture & fixture 10% ;
- (f) Bad debt 2½% on Debtors.

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4. Mr. Rabi Kumar commenced business on 1.1.2017 with capital Rs.20,000. He maintained his books in the Single Entry System. On 31.12.2017 his books of accounts showed the following position :-

Plant Rs.15,000, Stock in trade Rs.12,000, Creditors Rs.7,500, Debtors Rs.13,500, Cash at bank Rs.3,000. He drew from his business at the rate of Rs.225 at the end of each month. On 1st July, 2017 he introduced a further capital of Rs.6,000.

Prepare a Profit & Loss statement for the year ended 31.12.17 and also prepare a statement of Affairs as on that date after taking into account the following information :-

- (a) 7½% of Sundry Debtors proved to be bad ;
- (b) Plant depreciation @ 10% ;
- (c) Provision for doubtful debt on debtors should be made at 2½%.

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5. (a) State the meaning of Teeming and Lading Method of misappropriation of cash. 10  
 (b) How would you verify the stock-in-trade and Balance with Bank ? 10

✓ 6. Write notes on :-

- (a) Internal Checking System ;
- (b) Vouching ;
- (c) Routine Checking ;
- (d) Internal Audit.

5 x 4

7. (a) How would you check the Sundry Debtors' Lists ? 10  
 (b) How would you verify bad debt ? 10

✓ 8. (a) What are the documents to be verified for cash sales ? 10  
 (b) Mention the documents to be verified for payment of wages. 10

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