

**HALF-YEARLY DEPARTMENTAL EXAMINATION FOR OFFICERS OF THE
DIRECTORATE OF COMMERCIAL TAXES**

May, 2022

ACCOUNTANCY-(WITHOUT BOOKS)

Time Allowed — 3 Hours

Full Marks — 100

Pass Marks — 50

All questions carry equal marks.

Answer any five questions.

1. From the following Trial Balance prepare a Trading A/c, P/L A/c for the year ended 31.12.2021 and also prepare a Balance Sheet as on that date: 20

| | Dr. (₹) | Cr. (₹) |
|---------------------|-----------------|-----------------|
| Sales | — | 2,30,000 |
| Creditors | — | 40,000 |
| Bad debt Reserve | — | 750 |
| Capital | — | 50,000 |
| Plant & Machinery | 80,000 | — |
| Purchase | 1,25,000 | — |
| Op. Stock | 35,000 | — |
| Salaries | 16,000 | — |
| Sundry Debtors | 50,000 | — |
| Bills Receivable | 20,000 | — |
| Rent & Taxes | 5,500 | — |
| Furniture & Fixture | 2,500 | — |
| Bank Loan | — | 20,000 |
| Int. on Loan | 600 | — |
| Discount | 650 | 1,200 |
| Bills Payable | — | 9,250 |
| Wages | 14,850 | — |
| Cash in hand | 1,100 | — |
| | <u>3,51,200</u> | <u>3,51,200</u> |

The following information are to be noted:

- (a) Closing stock ₹ 45,000, Rent Outstanding ₹ 500, Interest Outstanding ₹ 1,400, Wages Outstanding ₹ 150.
- (b) Depreciation on Plant & Machinery @ 5%, Furniture & Fixture @ 10%.
- (c) Bad debt Reserve to be raised to 2½% on Sundry Debtors.
- (d) A Discount Reserve to be made at 1% on Sundry Creditors.

2. X and Y are partners in equal ratio of a firm. On 31st December, 2021 Mr. Y retires and his son Z comes into partnership firm on 01.01.2022 with $\frac{2}{5}$ th share. The Balance Sheet as on 31.12.2021 was as follows:

| Liabilities | ₹ | Assets | ₹ |
|-------------|-----------------|-------------------|-----------------|
| X's Capital | 80,000 | Goodwill | 15,000 |
| Y's Capital | 80,000 | Cash in hand | 4,000 |
| Creditors | 10,000 | Land and Building | 1,00,000 |
| | | Plant | 36,000 |
| | | Furniture | 5,000 |
| | | Debtors | 10,000 |
| | <u>1,70,000</u> | | <u>1,70,000</u> |

On Z's admission the goodwill of the firm was valued at ₹ 20,000 and Land & Building valued at ₹ 90,000. Firm's debt to Y is to be met in cash and the cash balance in hand is not to be affected as Z will provide necessary cash for this purpose. The remaining partner has to bring or withdraw necessary cash to make his capital proportionate to his share of Profit & Loss. Y transfers 60% of the Balance of his capital to Z's capital account. On 1st January, 2022 X and Z paid in cash due from them and the debt due to Y was paid off subsequently.

Give the Journals and show the new Balance Sheet.

20

3. Prepare Sales Ledger Adjustment A/c in General Ledger from the following:

20

Opening Sales Ledger Balances:

Dr. ₹ 12,500

Cr. ₹ 300

| | ₹ |
|-------------------------------|--------|
| Bills Receivable received | 4,000 |
| Bills Receivable dishonoured | 420 |
| Bills endorsed | 480 |
| Cheque dishonoured | 100 |
| Bad debt recovered | 60 |
| Provision for Doubtful Debt | 1,000 |
| Sales (Credit) | 19,000 |
| Cash Sales | 4,000 |
| Cash received from customers | 18,300 |
| Returns from customers | 380 |
| Bills Receivable discounted | 500 |
| Bad debt | 90 |
| Transfer from Purchase Ledger | 150 |
| Balance (Cr.) on closing | 1,000 |

4. Write notes on:

5×4=20

- (a) Journal Proper
 - (b) Purchase Daybook
 - (c) Sales Daybook
 - (d) Matching Concept
5. (a) Define audit.
- (b) Give the objectives of audit. 10+10=20
6. (a) Make the differences between Govt. Audit and Commercial Audit.
- (b) Give the internal checking system in large departmental store. 10+10=20
7. (a) What is audit programme?
- (b) Give a sample of audit programme. 20
8. Write notes: 5×4=20
- (a) Audit Risk
 - (b) Audit Working Papers
 - (c) Audit Memorandum
 - (d) Interim Audit
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