

**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: $5 \times 4 = 20$

- (a) Journal Proper
- (b) Purchase Daybook
- (c) Sales Daybook
- (d) Matching Concept

5. (a) Define audit. $10 + 10 = 20$

- (b) Give the objectives of audit.

6. (a) Make the differences between Govt. Audit and Commercial Audit. $10 + 10 = 20$

- (b) Give the internal checking system in large departmental store.

7. (a) What is audit programme? 20

- (b) Give a sample of audit programme.

8. Write notes: $5 \times 4 = 20$

- (a) Audit Risk
- (b) Audit Working Papers
- (c) Audit Memorandum
- (d) Interim Audit
