

Code No. **22 X**

COMMERCE EXAMINATIONS
BOOK-KEEPING & ACCOUNTANCY
JUNIOR GRADE - I Paper

June, 2016

{ Time : $2\frac{1}{2}$ Hours
{ Max. Marks : 100

Note : (i) Answer *all* the questions.
(ii) *All* questions carry equal marks.

1. a) What is Book-keeping ? Why is it necessary ? 4
 - b) What is Ledger ? Give its form with examples. 4
 - c) "Each transaction has a double aspect." Explain this statement giving examples. 4
 - d) Write short notes on the following : 4 × 2
 - i) Debit and Credit note
 - ii) Dishonour of bills
 - iii) Bank pay-in slip
 - iv) Contra Entry.
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2. a) What is the purpose of preparing a Bank Reconciliation Statement ?
Who prepares it ? 5
 - b) Reconcile the following : 15
 - i) A Trader's Cash book shows Rs. 10,000 as his bank balance, but this does not tally with his Cash book.
 - ii) A cheque issued for Rs. 5,000, but the same is not yet taken to Cash book Rs. 200.
 - iii) A cheque for Rs. 12,000 deposited has not credited in the Pass book.
 - iv) Bank charges of Rs. 20 is not yet entered in Cash book.
 - v) A deposit of Rs. 420 has been wrongly taken in the Pass book as Rs. 240.

[Turn over

3. From the following Trial Balance of Mr. Subramanya, prepare Final Accounts : 20

Trial Balance

<i>Particulars</i>	<i>Dr</i> <i>Rs.</i>	<i>Cr.</i> <i>Rs.</i>
Drawing and Capital	5,000	30,000
Purchase and Sales	40,000	60,000
Carriage Inward	200	—
Carriage Outward	300	—
Returns	500	1,000
Sundry Expenses	400	—
Rent	400	—
Bad Debts	300	—
Printing and Stationery	150	—
Postage	50	—
Wages	1,000	—
Bills Payable	—	3,000
Bills Receivable	2,000	—
Discount	800	300
Building	15,000	—
Machinery	6,000	—
Insurance	500	—
Creditors	—	8,000
Debtors	10,200	—
Salaries	1,300	—
Investment	3,000	—
Stock on 1. 1. 1992	13,000	—
Cash in hand	200	—
Cash at Bank	500	—
Power	300	—
Commission	—	300
Furniture	1,500	—
	1,02,600	1,02,600

Adjustments :

- i) Closing Stock — Rs. 10,000
 - ii) Outstanding wages — Rs. 3,000, Salaries — Rs. 500.
 - iii) Prepaid Rent Rs. 50 and Insurance Rs. 80
 - iv) Commission received but not entered Rs. 50
 - v) Interest on Investment outstanding Rs. 20
 - vi) Write off Bad Debts — Rs. 200
 - vii) Create 5% Reserve for Bad Debts, 3% Reserve for Discount for Debtors and 2% Reserve for discount on Creditors.
 - viii) Depreciate Machinery by 10% and Furniture by 4%.
 - ix) Allow interest on Capital at 5% and charge interest on Drawing — Rs. 100.
4. a) What are the subsidiary books ? What types of transactions are entered in these books ? 5
- b) Enter the following transactions in the purchase books and post them into Ledger Account : 15
- | | | Rs. |
|-------------|----------------------------|--------|
| 1. 1. 2003 | Bought from <i>J</i> & Co. | 10,000 |
| 5. 1. 2003 | Bought from <i>M</i> & Co. | 2,000 |
| 16. 1. 2003 | Purchased from Kumar | 1,000 |
| 21. 1. 2003 | Bought from Girish | 5,000 |
| 23. 1. 2003 | Bought from Sohan | 2,000 |
| 24. 1. 2003 | Return goods to Sohan | 200 |
| 28. 1. 2003 | Bought from Rose & Co. | 1,000 |
| 29. 1. 2003 | Bought from Raj & Co. | 2,000 |

[Turn over

5. On December 2007, the Cash Book of Mr. Nagaraj showed a bank balance of Rs. 3,425. A comparison of the cash book with the Pass Book showed the following :
- a) Out of the cheques issued for Rs. 1,200, a cheque for Rs. 200 had been cashed, the others not presented.
 - b) A Bill receivable for Rs. 700 sent for collection had been realised, but it was not entered in Cash book.
 - c) Out of cheques for Rs. 1,800 paid in there was credit in the Pass book for Rs. 100 only.
 - d) A debit for Rs. 225 relating to some other account was found in the pass book.

Ascertain the Pass Book Balance.

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