

COMMERCIAL BOOK-KEEPING**(WITHOUT BOOKS)****(Charter's Advance Accounts, 4th Edition,
Reprint 1955 or Latest)**

Paper—III

Full Marks : 150

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*Answer **any ten** questions

1. (a) Briefly explain any five distinctions between Book-keeping and Accounting. 5
- (b) From the following particulars, prepare a Single-column Cash Book in the books of Kirtan Sarma : 10

2024	(₹)
Dec. 1 Balance of cash in hand	10,000
" 2 Goods sold for cash	25,000
" 5 Purchased goods for cash	13,000
" 10 Purchased furniture	7,000
" 13 Paid rent in cash	5,000
" 16 Paid cash for salaries	8,000
" 21 Received cash from Ram	9,000
" 25 Old furniture sold	3,000
" 28 Introduced additional capital	20,000
" 31 Paid cash for travelling expenses	6,000

2. From the following Trial Balance of Harish Kumar as on 31st December, 2024, prepare a Trading and Profit & Loss Account for the year ended 31st December, 2024 and a Balance Sheet as on that date : 10+5=15

Trial Balance as on 31st December, 2024

Dr.		Cr.	
<i>Particulars</i>	<i>(₹)</i>	<i>Particulars</i>	<i>(₹)</i>
Opening Stock	3,00,000	Capital	4,00,000
Advertising	70,000	Discount	8,000
Wages	15,000	Bills Payable	47,000
Factory Rent	10,000	Sales	15,91,000
Carriage Inward	5,000	Returns Outward	3,500
Returns Inward	5,500	Creditors	46,000
Salaries	33,000		
Office Rent	7,000		
Plant	1,00,000		
Purchases	13,50,000		
Bills Receivable	15,000		
Cash in Hand	35,000		
Furniture	20,000		
Debtors	90,000		
Miscellaneous Expenses	8,000		
Drawings	30,000		
Office Lighting	2,000		
Total	20,95,500	Total	20,95,500

Additional Informations :

- (i) Closing Stock was valued at ₹ 2,20,000
- (ii) Outstanding Salaries ₹ 5,000
- (iii) Depreciate Plant @ 10% p.a. and Furniture @ 20% p.a.

3. (a) Briefly explain the different types of errors in Book-keeping. 5

(b) Pass necessary rectification entries to correct the following errors : 2×5=10

(i) A sale of old furniture at ₹ 10,000 was credited to Sales Account

(ii) An amount of ₹ 5,000 received from Tarun Mehta was posted to the debit side of his account

(iii) An amount of ₹ 2,000 was paid for repairs of motorcar was debited to the Motorcar Account

(iv) A purchase of machinery for ₹ 6,000 was entered in the Purchases Book

(v) A sale of ₹ 350 to Mr. Tarun Barua was entered in the Sales Book as ₹ 530

4. (a) Briefly explain any five distinctions between Single-entry System and Double-entry System of Book-keeping. 5

(b) Robin Gogoi owns a grocery shop and his books of accounts are maintained under single-entry system. On 1st April,

2023, his position was as follows :

(₹)	
Cash in Hand	32,000
Cash at Bank	28,000
Debtors	2,50,000
Plant and Machinery	1,68,000
Sundry Creditors	2,20,000
Bills Payable	80,000
Bills Receivable	50,000
Furniture	40,000
Outstanding Expenses	18,000

On 31st March, 2024, his position was as follows :

(₹)	
Cash in Hand	1,60,000
Cash at Bank	40,000
Debtors	3,00,000
Plant and Machinery	1,47,000
Sundry Creditors	1,80,000
Bills Payable	1,10,000
Bills Receivable	70,000
Furniture	20,000

Additional capital introduced during the year was ₹ 50,000. Robin Gogoi had withdrawn ₹ 5,000 for personal use every month at the middle of each month.

You are required to prepare the necessary statements and ascertain the profit or loss made or suffered by Robin Gogoi. 3+3+4=10

5. (a) Briefly explain any five distinctions between Fixed Instalment Method and Diminishing-balance Method of charging depreciation. 5

(b) Ganesh Talukdar purchased a Machine on 1st April, 2016 at a cost of ₹ 7,90,000 and paid an amount of ₹ 10,000 for its installation charges. On 1st October, 2018, he purchased another Machine at a cost of ₹ 2,00,000. Depreciation is charged @ 10% p.a. on diminishing-balance method.

You are required to prepare a Machinery Account for five years assuming that the accounting year ends on 31st March each year. 10

6. (a) Explain any five distinctions between Bill of Exchange and Promissory Note. 5

(b) On 1st June, 2024, Ram sold goods worth ₹ 25,000 to Shyam who paid a sum of ₹ 5,000 immediately and agreed to pay the balance at a future date. On the same date, Ram drew a bill on Shyam for the unpaid amount payable after 4 months. Shyam accepted the bill and returned the same to Ram.

The bill was discounted at bank at ₹ 19,500 by Ram.

On the due date, the bill was dishonoured.

Pass Journal Entries in the books of Ram and Shyam to record the above transactions. 10

7. (a) Briefly explain any five advantages of Self-balancing Ledger System. 5

(b) M/s. Global Furniture House maintains only one Sales Ledger. From the following information, you are required to prepare the Sales Ledger Adjustment Account and the General Ledger Adjustment Account as on 31st March, 2024 in the books of M/s. Global Furniture House : 10

(₹)

On 1st April, 2023, Debtors Balance (Dr.) 28,500

Transactions during the year :

Sales to Debtors on credit	60,000
Returns from Debtors	700
Cash received from Debtors	40,000
Discount allowed to Debtors	2,000
Acceptances received from Debtors	4,000
Acceptances returned dishonoured	600
Bad debts written-off	1,000
Sundry charges debited to Debtors	100

8. (a) Briefly explain any five features of Receipts and Payments Account. 5

(b) Delhi Football Club had a cash and bank balance of ₹ 900 and ₹ 20,000 respectively as on 1st April, 2023. From the following details, prepare the Receipts and Payments Account of the Club for the year ended 31st March, 2024 :

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Subscriptions received during the year from members :

	(₹)
2021-22	2,000
2022-23	5,000
2023-24	65,000
2024-25	3,000

	(₹)
Entrance fee received	10,000
Donations received	25,000
Life membership fee received	5,000
Rent received from auditorium	3,000
Salaries to staff	18,000
Repairs to building	4,000
Sales of old newspapers	1,000
Furniture purchased	33,000
Cash at bank on 31st March, 2024	60,000

9. Bokul and Polash are partners in a firm. As on 31st March, 2024, their Balance Sheet was as follows :

Balance Sheet as on 31st March, 2024

<i>Liabilities</i>	<i>(₹)</i>	<i>Assets</i>	<i>(₹)</i>
Creditors	6,000	Cash	3,600
Bills Payable	6,000	Debtors	9,000
Reserve	2,400	Stock	8,400
Capital A/cs :		Furniture	2,400
Bokul	9,000	Machinery	6,000
Polash	<u>6,000</u>		
	15,000		
<i>Total</i>	<u>29,400</u>	<i>Total</i>	<u>29,400</u>

On that date, Lotus was admitted as a new partner on the following terms :

- (i) That Lotus was to bring in ₹ 6,000 as premium for goodwill for 1/5th share in the future profits
- (ii) That Lotus was to bring in ₹ 15,000 as his share of capital
- (iii) That ₹ 1,000 out of debtors was to be written-off as bad debts
- (iv) That investments worth ₹ 2,000 were to be taken into account
- (v) That furniture and machinery were to be depreciated by 5% p.a. and 10% p.a. respectively

You are required to prepare the necessary Ledger Accounts and the Opening Balance Sheet in the books of the firm.

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10. (a) Briefly explain the meaning of dissolution of partnership firm. How is it different from the dissolution of partnership? 2+3=5

(b) Akash and Bikash are partners in a firm sharing profits and losses in the ratio of 3:2. On 31st March, 2024, their Balance Sheet was as follows :

Liabilities	(₹)	Assets	(₹)
Creditors	20,000	Land and Building	20,000
Reserve	10,000	Furniture	10,000
Capitals :		Stock	30,000
Akash	30,000	Debtors	20,000
Bikash	<u>20,000</u>	Bank	8,000
Loan from		Cash	2,000
Mrs. Bikash	10,000		
<i>Total</i>	<u>90,000</u>	<i>Total</i>	<u>90,000</u>

The firm was dissolved on that date.

Furniture was taken over by Akash at ₹ 8,000 and Bikash had taken the responsibility to meet his wife's loan. There was an unrecorded typewriter valued at ₹ 1,500 and the same was taken by a creditor of ₹ 2,000 in full satisfaction.

Other creditors were discharged at a discount of 10%. Land and Building were realised at ₹ 30,000 and other assets were realised at a discount of 10%. The expenses of realisation was ₹ 5,000.

You are required to prepare the necessary Ledger Accounts to close the books of the firm.

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11. The following information is given to you from the books of a manufacturer in respect of the year ended 31st March, 2024 :

<i>Particulars</i>	(₹)	<i>Particulars</i>	(₹)
Stok of Raw Materials on 01-04-2023	25,000	Electricity and Telephone	600
Freight—Inward	8,500	Selling Expenses	6,000
Freight—Outward	6,000	Miscellaneous Expenses	14,000
Wages—Direct	18,000	Stock of Raw Materials (31-03-2024)	2,000
Wages—Indirect	14,000	Stock of Finished Goods :	
Sales	4,18,000	Opening	30,000
Stationery	1,500	Closing	40,000
Travelling Expenses	5,000	Provision for Doubtful Debts	8,500
Salaries (HQ)	26,000	Depreciation on Plant	4,000
Factory Expenses	26,000	Depreciation on Office Furniture	3,000
Interest on loan paid	1,800	Repairs to Plant and Machinery	4,650
Returns Inward	5,000	Sale of Scraps	3,700
Returns Outward	3,500	Purchase of Raw Materials	2,50,000
Power and Fuel	8,000		
Work-in-progress (01-04-2023)	7,000		
Work-in-progress (31-03-2024)	4,000		
Coal consumed	9,000		
Bank Interest received	2,600		

Adjustments are required for the following :

- (i) Finished Goods worth ₹ 5,000 were distributed as free sample
- (ii) A loan was obtained on 1st October, 2021 for ₹ 50,000 carrying interest @ 10% p.a.

- (iii) Bad debt to be written-off ₹ 750 and a provision for doubtful debts to be maintained at ₹ 7,000
- (iv) Electricity and Telephone Expenses were to be apportioned as Factory 3/5th and Office 2/5th
- (v) Stock of Stationery in hand on 31-03-2024 is ₹ 150
- (vi) A fire occurred destroying finished goods worth ₹ 15,000. Insurance company admitted the claim of ₹ 12,000, not yet received

You are required to prepare the Manufacturing Account and Trading and Profit & Loss Account for the year ended 31st March, 2024.

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12. (a) Briefly explain any five features of Cost Accounting. 5
- (b) Explain the various advantages of Cost Accounting. 10
