

MIZORAM PUBLIC SERVICE COMMISSION
MIZORAM FINANCE & ACCOUNTS SERVICE (JUNIOR GRADE)
DEPARTMENTAL EXAMINATIONS, DECEMBER, 2019

PAPER - V

Time Allowed : 3 hours

Full Marks : 100

Pass Marks : 40

Figures in the margin indicate full marks for each question.

GROUP - A : AUDITING (40 MARKS)

(Attempt any eight (8) questions from Group -A)

1. What do you mean by Internal Check? (5)
2. Describe briefly the significance of independence of the Auditor. (5)
3. What are the classes of errors? Briefly define each class at least in one or two sentences. (5)
4. Write short notes on any **2(two)** of the following: (2.5+2.5=5)
 - (a) Audit Programme
 - (b) Book Keeping
 - (c) Internal Control
5. Distinguish between current and long-term liabilities. (5)
6. State the objectives of auditing. (5)
7. Enumerate the qualities of an auditor. (5)
8. Briefly describe the meaning of vouching. (5)
9. What do you mean by Management audit? (5)
10. State briefly the distinction between Capital and Revenue expenditure. (5)

GROUP-B : BOOK KEEPING & ACCOUNTANCY (MARKS 60)

(THEORY SECTION)

(Attempt all questions from Theory Section)

11. Write down the objectives of Financial Accounting. (5)
12. Define Business Entity Concept. (5)

13. What are the three conventions regarding Financial Statements? (5)
14. Name the three branches of accounting briefly defining each of them. (5)
15. Write short notes on any two (2) - (2.5+2.5=5)
- (a) Accountancy
 - (b) Final Accounts
 - (c) Partnership / Partnership accounts
16. State whether the following statements are TRUE or FALSE - (5×1=5)
- (a) Double Account System and Double Entry System are just the same system.
 - (b) Book-keeping and Accountancy practically mean the same thing.
 - (c) The Bank Pass Book and the Cash Book (bank column) record the same transactions.
 - (d) Liquid assets are those current assets which cannot be seen or touch or felt.
 - (e) Losses are usually taken to include expenses.

(PRACTICAL SECTION)

(Attempt any three (3) questions from Practical Section)

17. Enter the following transactions of Pu Lala in double-column Cash Book - (10)

<u>Date</u>	<u>Particulars</u>	<u>Amount</u>
November		
2018		
1	Balance of Cash in hand	Rs.1,600
5	Paid to Pu Sanga (discount allowed Rs.20)	Rs.780
8	Cash sales	Rs.400
10	Sale of old Newspaper	Rs.20
12	Paid for internet bill	Rs.1,000
17	Withdrawn from Bank	Rs.400
19	Received from Pi Lali (in full settlement of her debt of Rs.600)	Rs.570
21	Sale of old furniture	Rs.300
22	Received from Pu Chhuana (discount allowed Rs.15)	Rs.400
29	Paid wages to employee	Rs.500
30	Received from Pu Lala against a debt previously written off	Rs.150

18. On 31st December, 2017, the Cash Book of a firm showed a balance at Bank of Rs.1,729. From the information given below **prepare the Bank Reconciliation Statement**, showing the balance as per **Pass Book-** (10)

- (a) Cheque issued for Rs.600 had not been presented at the bank for payment.
- (b) Cheque amounting to Rs.750 were paid in on 29th December, 2017 but had not been credited by the bank. One cheque for Rs.230 was entered in the Cash Book on 31st December 2017, but was banked on 2nd January, 2018.
- (c) A cheque from Pu Kima for Rs.150 paid in on 27th December, 2017 was dishonoured but the advice of dishonour was received only on the 2nd January, 2018.
- (d) Pass Book shows bank charges Rs.15, debited by the bank. It also shows Rs.350 collected by the bank as interest on securities.

19. The Pass Book of a company showed an overdraft of Rs.2,560. Comparison of the Pass Book with the Cash Book showed the following: (10)

- (a) The company had issued on 20th August, 2019 cheques for Rs.820, Rs.530 and Rs.760. The cheque for Rs.760 was paid before the 31st August. The other cheques were paid on 4th September, 2019.
- (b) The company had sent to the bank three cheques on 23rd August, 2019. The cheques for Rs.1,100, Rs.1,560 and Rs.930. Of these, only the cheque for Rs.1,100 was credited by the bank before 31st August, 2019.
- (c) The Bank had collected Rs.500 from a customer against a bill but the fact was not yet recorded in the Cash Book.
- (d) The Bank had debited the company with Rs.20 as bank charges and Rs.120 as interest. Entries on the Cash Book had not yet been made.

Prepare the **Bank Reconciliation Statement** as on 31st August, 2019.

20. Pu Chhuana's books show the following balances on 31 July, 2019. (10)

<i>Debits</i>	<i>Rs.</i>	<i>Credits</i>	<i>Rs</i>
Opening Stock	28,000	Sales	1,38,600
Purchases	73,000	Purchases Returns	2,000
Wages	25,000		
Freight Inwards	5,000		
Sales Returns	4,500		
Fuel and Power	11,000		

Stock on 31st July, 2019 was valued at Rs.26,400. Wages for the month of July, 2019 totalling Rs.2,300 have still to be paid. A customer returned goods worth Rs.600 on July, 30th. These have been included in stock but no entry has yet been passed.

From the information given above, prepare a **Trading Account**.