

*No. 89.—Book-keeping.—For Class D.**Time allowed: Three hours.*

1. From the following ledger balances in the books of Smith and Brown, on 31st March, 1904, prepare trial balance Trading Account, Profit and Loss Account, and Balance-sheet. The goods on hand at date of balance were valued at £1,874. Smith is to receive $\frac{2}{3}$ and Brown $\frac{1}{3}$ of the net profits.

Smith, capital, £1,375; Brown, capital, £580; goods, 31/3/03, £1,734. Ernest Aimes owed the firm £75, William Evans owed £127, and A. Jack owed £314. There was a sum of £70 in the bank; bills payable current amounted to £343; bills receivable, all in hand, £337. The firm owed Billows and Co. £138, T. Longford £49, Thomas Cornish £113, and Edmonds and Co. £38. The purchases for the year were £7,388, and the sales £8,477; charges, £245; salaries, £407; rent, £150. Smith had drawn £154 and Brown £112.

2. Give definitions of the following terms: Debenture, accommodation bill, partnership, impersonal account, set-off.

3. A and B enter upon a venture. A supplies £2,000 at 5 per cent. simple interest, and B is to manage the venture at a salary of £300 per annum; profits and losses to be divided equally. At the end of a year all the assets were sold for £3,500, but at the date of sale there was an account unpaid of £350. Neither partner had drawn any sum for interest or salary. Make up a statement showing the amounts due to A and B.

4. A merchant's books show a sum to his credit at the bank of £215, but on comparison with his bank book it is found that two items appearing in the bank book have not been taken into account—viz., exchange 5s., and cheque dishonoured £25 7s.; and that cheques for £33 10s., £17 15s., and £19 8s., have not been presented for payment: give the balance of the account as shown in the bank book.

5. From the following particulars prepare an Account Sales: 300 lambs, sold by Edward Smith and Co., of Auckland, on account of John James, on 21st November, 1904, at the following prices—85 at 13s. each, 60 at 11s. each, 100 at 10s. 9d. each, and 55 at 10s. each. The charges were—rallage, £3 17s.; unloading, 10s.; paddocking, £1 5s.; yard dues, 1d. a head; and commission at 3 per cent.

*No. 90.—Book-keeping, I.—For Class C and for Civil Service Senior.**Time allowed: Three hours.*

1. Give a short explanation of that method of keeping a petty-cash book which in your opinion is the best.

2. Explain the following: Lien, accommodation bill, account current, bill of exchange, bill of lading, negotiable instrument, statute barred, charter party.

3. The ledger of Robinson and Son, manufacturers, shows the following balances on 31st March, 1904. You are required to arrange the items in the form of a trial balance, and prepare Manufacturing Account, Trading Account, Profit and Loss Account, and Balance-sheet.

J. Robinson, capital, 31/3/03, £3,825; W. Robinson, capital, 31/3/03, £1,820; sundry debtors, £1,857; bills payable, £1,060; bills receivable, £2,470, of which bills amounting to £2,050 have been discounted; premises, £1,570; machinery, £850; stock of raw material, 31/3/03, £3,785; finished goods, 31/3/03, £1,823; sundry creditors, £2,836; J. Robinson, drawings, £370; W. Robinson, drawings, £286; wages, £2,390; salaries, £456; discounts allowed, £28, and earned, £37; travelling-expenses, £260; repairs to machinery, £36; office furniture, £158; goods manufactured during the year, £12,750; purchases of raw material, £7,748; general charges, £395; sales, £13,984; cash in hand, £33; in bank, £724; bad debts written off, £373.

Stocks, 31st March, 1904, raw material and unfinished goods, £3,634; finished goods, £2,376. Wages accrued amount to £38. Provide 2 per cent. discount on bills on hand and book debts; reserve for doubtful debts 5 per cent. on bills current and book debts; allow for depreciation on premises 2 per cent. on machinery, $7\frac{1}{2}$ per cent. on office furniture, £10. Divide net profit in proportion to capital as held on 31st March, 1903.

4. Give examples of ledger accounts for Bills Receivable and Bills Discounted, kept in such a way as to show at any time the amount of bills under discount. Also make entries in the accounts of bills received, discounted, held for collection, dishonoured, and paid on due dates; and state in the folio column the names of the books from which the respective entries are posted.

*No. 91.—Book-keeping, II.—For Class C and for Civil Service Senior.**Time allowed: Three hours.*

1. An agent has the sum of £1,563 in his hands belonging to his principal in London. He wishes to forward a draft, which (with exchange and stamp) will cost exactly £1,563. The rate of exchange is $\frac{3}{4}$ %, and the stamp duty £1 12s. Find the amount of the draft, and show your working.

2. Should "Reserve Fund" on a company's balance-sheet be an asset or a liability? Why?

3. Find the average due date of the following sums, and show your working: Feb. 1, £250; Feb. 15, £155; March 3, £220; April 14, £147; April 19, £375; May 3, £89.

4. Rule a form of contract book suitable for a builder, and explain how such a book can be made self-balancing.

5. A cash-book shows a balance of £374 to the debit of bank, but it is found that a promissory note for £34 paid in for collection has not been entered in the cash-book, and that cheques for £38, £75, £123, and £8 have not been presented for payment; whilst a cheque for £15 lodged on the last day of the month, has been since charged back as dishonoured: prepare a reconciliation account showing the balance as in the bank pass-book.