

4. Rule a form of Cash-book which you would recommend for use in the office of a Borough Council whose principal receipts consist of the following rates: General, Special, Library, and Charitable Aid. There are also receipts from time to time on account of rents and dog-taxes. The expenditure may be classified under the headings Maintenance, Office Charges, Salaries, and General. All receipts are paid into bank, and all payments made by cheque.

If two Ledgers are kept—viz., General and Ratepayers—show how the information contained in the Cash-book should be posted into both Ledgers.

*Book-keeping, II.—For Civil Service Senior. Time allowed: Three hours.*

1. A firm has two bank accounts—viz., Ordinary and Trust. In the Cash-book each bank account is given a separate column. It is found that the Trust Account contains a surplus of £213. Describe the process by which this amount may be transferred to the Ordinary Account. Should the Ledger contain any record of the transfer?

2. Explain the difference between a Suspense Account and a Reserve Account.

3. Under what circumstances is it usual to endorse a bill "without recourse." Give an example of an acceptance payable to the order of the drawer, duly accepted, endorsed on the reverse side by a friend of the acceptor; also having two other endorsements. Which endorsement should be "without recourse?"

4. A company is registered in 1902 with a capital of 50,000 shares of £1 each. Up to 30th June, 1903, 40,000 shares have been issued, 10,000 being fully paid up, and 30,000 having been called up to 10s. a share. There are calls unpaid amounting to £325. All the cash received on account of share capital has been posted from the Cash-book to the credit of one Capital Account in the Ledger. It is required that the Ledger give fuller information. Show the Journal entries required in order that the Ledger may give, by separate accounts, the position of the share capital.

5. Johnson & Smith forward a consignment of 1,000 sacks of oats to their Sydney agents, Herbert, James, & Co., and draw against the same £450, at thirty days. The draft is accepted on 6th October. Prepare the Sydney firm's Account-sales from the following particulars:—

Sales.—300 sacks = 1,250 bushels, sold on 7th October, at 3s. a bushel, bags in, ex ship, for cash.

500 sacks = 2,080 bushels, sold on 30th October, at 3s. 3d. a bushel, bags in, in bond, for bill at one month.

200 sacks = 840 bushels, sold on 28th November, at 3s. 2d. a bushel, bags in, in bond, for cash.

The following charges were paid by Messrs. Herbert, James, & Co.:—

Freight, £50; wharfage and customs entries, £12 10s.; cartage, £5 5s.; weighing, 17s.

They charge commission and brokerage in one sum,  $2\frac{1}{2}\%$ .

The Account-sales is dated 28th November. It is required to show the average due date.

Prepare also a statement of account, with interest at 7%, to 28th November.

The balance was forwarded by sight draft to Messrs. Johnston & Smith, exchange being at  $\frac{1}{2}\%$ . Show the amount of this draft in the statement of account.

*Precis-writing and Correspondence.—For Civil Service Senior. Time allowed: Three hours.*

*Answer all questions. Avoid redundancy. Write legibly.*

QUESTION 1.—PRÉCIS-WRITING.

Write a *précis* of the following despatches and enclosures:—

SIR,— Government House, Wellington, 15th January, 1900.

I have the honour to inform you that some appeal seems to be necessary from the judgments of the High Court, Rarotonga. As it exists at present I am advised that there is no appeal to any Court, nor to the Governor of New Zealand.

(2.) As was to be expected at the first institution of the Court, there have been a large number of cases, and Colonel Gudgeon has in each case sent me a copy of the evidence and his decision. I consider that the judgments have been extremely fair and without partiality, and that he has filled his difficult position in an exemplary manner. The persons convicted have in almost every case appealed to me; one case, however, involved an important principle, "*Kohn v. The Union Steam Ship Company of New Zealand*," which has clearly demonstrated to me that some appeal is necessary.

(3.) There seem to be three courses possible, if an appeal is allowed: (1) An appeal to the High Commissioner, Western Pacific; (2) an appeal to the Supreme Court of New Zealand; (3) an Appeal Court to be held as required at Rarotonga by a New Zealand Judge.

(4.) As the affairs of the Cook Islands are to a large extent under the Governor of New Zealand, I am strongly in favour of the adoption of either the second or the third suggestion. The second course would enable the Governor to keep himself thoroughly acquainted with the operations of justice there, but it would necessitate either the boundaries of New Zealand being made to extend beyond the Cook Islands, or a special (British) Act of Parliament to enable the cases to be heard