

P-II

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6

BOARD OF INTERMEDIATE AND SECONDARY EDUCATION D.G.KHAN

MODEL PAPER

ABDULREHMAN

PRINCIPAL OF ACCOUNTING

SENIOR INSTRUCTOR GOVT ASSOCIATE

COLLEGE OF COMMERCE MUZAFFAR GARH

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Objective

Q.1 Each question has four possible answers, tick (✓) the correct answer.

i	In single entry system , the final accounts are prepared by means of statement of affairs							
	A	Correctly	B	Effectively	C	Wrongly	D	Approximately
ii	How many methods are available to calculate the profit or loss under single entry system							
	A	One	B	Two	C	Three	D	Four
iii	If the ending capital is Rs. 55000; opening capital Rs. 56375; loss made during the years. 1375, then the amount of drawings will be,							
	A	Rs.110000	B	Rs.2750	C	Nil	D	Rs. 112750
iv	Receipts and payment account is a summary of							
	A	Cash book	B	Purchases Book	C	Sales book	D	Return book
v	The amount received by the concern as per the will of donor is known as							
	A	Legacy	B	Donation	C	Expense	D	Subscription
vi	Donation Rs. 9000, 4/5 th capitalized, the amount should be credited to income and expenditure account is							
	A	Rs.1800	B	Rs. 7200	C	Rs.9000	D	Rs.900
vii	Parties involved in consignment							
	A	Two	B	Three	C	Four	D	Five
viii	In sale, the risk and damages attached to goods sold are transferred to							
	A	Seller	B	Buyer	C	Consignor	D	Consignee
ix	Account sale is submitted by							
	A	Consignor	B	Consignee	C	Debtor	D	Creditor
x	The decrease in the value of mines, quarries etc. is term as							
	A	Depreciation	B	Amortization	C	Depletion	D	None of these
xi	Scape value is also known as							
	A	Residual value	B	Breakup value	C	Salvage value	D	All of these
xii	Suppose cost of asset is Rs. 1000 and deprecaiottn rate is 10% p.a. then the book value of asset after two years under reducing balance method will be							
	A	Rs.1000	B	Rs.810	C	Rs. 900	D	Rs.729
xiii	The liability of a member in a company is generally							
	A	Current	B	Contingent	C	Limited	D	Unlimited
xiv	If a share of Rs. 100 is issued at Rs. 90 the it is to be issue at							
	A	5% discount	B	5% premium	C	10% discount	D	10% premium
xv	Debenture includes							
	A	Debenture stock	B	Bonds	C	Participation term certificates	D	All of these
xvi	Debenture holders are known as							
	A	Owners	B	Creditors	C	Members	D	None of these
xvii	Current accounts of the partners should be opened when the capitals are							
	A	Fluctuating	B	Fixed	C	Variable	D	None of these
xviii	How many methods are there to calculate goodwill							
	A	One	B	Two	C	Three	D	Four
xix	Suppose A,B & C are partners, sharing profits in the ratio of 2;2;1 respectively. What will be the new ration if C retires in the absense of agreement?							
	A	2:2	B	2:1	C	2:3	D	1:2
xx	The end or termination of partnership is called							
	A	Admission	B	Retirement	C	Death	D	Dissolution

Q.5

(20)

Following is the receipt and payments of the student welfare society. Prepare its income and expenditure account and balance sheet as on 31 December 2017.

Receipts	Amount	Payments	Amount
Balance	800	Salaries	300
Subscription:		Stationary	300
2016	50	Rent	300
2017	1000	Telephone expense	100
2018	200	Sundry expense	150
Admission fees	400	4% Govt. Securities 01-07-2017	1000
Dividend on investment	200	Closing balance	500
	2,650		2,650

Additional information:

- Subscription in arrear Rs. 90 at the beginning and Rs. 200 at the end of the year.
- Stock of stationery at the beginnings Rs.200 and Rs. 100 at the end of the year.
- The rates were paid for fifteen month up to 31st March 2018.
- Sundry expenses outstanding at 31st December 2017 Rs. 50.
- The telephone expenses for 3 month are outstanding Rs. 40.
- At 31 December 2016 the society owned building 10,000 and investment Rs.4,000.
- Depreciation of building @ 5% p.a

Q.6

(20)

On 1st March 2015 sultan traders of Layyah sent 1,000 T-shirts to Uzair garments of Rahim Yar Khan on consignment basis. Each shirt costing Rs. 500. Sultan paid for freight Rs. 1,000 and insurance Rs. 2000. On 31st December 2015 Uzair garments forwarded on account sale showing that 500 shirts were sold @ Rs. 560 each while 300 shirts were sold @550 each and remaining were sold @ Rs.540 each. The expenses incurred by Uzair garments were for carriage Rs. 500 and godown rent Rs. 3500. As per agreement, Uzair garments was entitled to commission @ 5% on gross sales proceed. A cheque for balance due was also enclosed with the account sales.

Required: Prepare journal entries and prepare necessary ledgers in the books of consignor.

Q.7

(20)

Muneeb and Co Ltd was formed with authorized capital of Rs. 6000000 divided into 60,000 ordinary shares of Rs. 100 each. On 1st April 2017 the company issued 45,000 shares @ Rs.100 each at 10% premium to public for subscription. On 30th April 2017 company issued 5000 ordinary shares @ Rs. 100 each at 5% premium to the directors for cash. On 30th April 2017 the applications for 35,000 shares were received and 1st May.

Required: Pass necessary journal entries and balance sheet of the company.

Q.8

(20)

On 1st January 2015 a firm purchased machinery costing Rs. 25,000. On 1st July 2003 it buys additional machinery worth Rs. 5000 and spend Rs. 500 on its erection. The accounts are closed each year on 31st December. Rate of depreciation is charged 10% p.a.

Show machinery account for Five years under fixed installment method.

Q.9

(20)

On 1st January 2022 Asad and Bilal enter into partnership contributing Rs. 400,000 and Rs. 300,000 respectively and sharing profits in the ratio of 3:2, Bilal is to be allowed a salary of Rs. 10,000 per year. Interest on capital is to be allowed at 10% per annum, 5% interest is to be charged on drawings. During the year, Asad withdrew Rs. 12000 and Bilal withdrew Rs.20000. Profit for the year was Rs. 96000.

Show profit distribution and also show capital accounts If their capitals are fixed.