	33
Answer Sheet No	
Sig. of Invigilator	

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PRINCIPI	ES OF	ACCOUNTING	HSSC_I

SECTION – A (Marks 20) Time allowed: 25 Minutes							
NOTE:	que	estion	is compulsory and comprises pages 1- paper itself. It should be completed perintendent. Deleting/overwriting is no	In th	parts of this section are to be answered on the e first 25 minutes and handed over to the wed. Do not use lead pencil.		
Q. 1	Circle the correct option i.e. A / B / C / D. Each part carries one mark.						
	(i)	The	Prime function of accounting is to:				
		A.	Record economic data	В.	Interpreting the data		
		C.	Provide the information basis for action	D.	Classifying and Recording business transaction		
	(ii)	Doub	ple entry system of book keeping involves:				
		A.	One account	B.	Two accounts		
		C.	Three accounts	D.	Four accounts		
	(iii)	All e	vents which are related to business are me	asured	in:		
		A.	Quantity	B.	Quality		
		C.	Kilogram	D.	Money		
	(iv)	The	concept of conservatism takes into account	t:			
		B.	All future profits but leaves all future losses				
		C.	All future losses but leaves all future profits				
		D.	All future assets and liabilities				
	(v)	The r	e right possessed by the owner against the assets, of the business is/are called:				
		A.	Assets	B.	Liabilities		
		C.	Owner's equity	D.	Expenses		
	(vi)						
		A.	Rs. 250	В.	Rs. 1300		
		C.	Rs. 1600	D.	Rs. 2000		
	(vii)	Debit	increases the account of:				
		A.	Assets and liabilities	B.	Assets and Expenses		
		C.	Assets and Revenue	D.	Assets and capital		
	(viii)						
		Α.	Motor cycle account	В.	Purchases account		
		C.	Proprietor's personal account	D.	Drawings account		
	(ix)	Divide	end received Rs. 1000 from Tahir will be po	osted t	_		
		A.	Tahir's account	В.	Cash account		
		C.	Dividend account	D.	Capital account		
	(x)	Notin	g charges are paid in the event of:		•		
		Α.	Acceptance of a bill	R	Dishanaur of a hill		

D.

B.

D.

Renewal of a bill

Bank

Guarantor

Endorsement of a bill

Pass book is prepared by the:

Customer

Drawer

(xi)

A.

C.

DO NOT WRITE ANYTHING HERE

(xii)		is used to record Cash, Bank and Dis					
	Α.	Double column cash book	В.		`		
	C.	Single column cash book	D.	Petty cash book			
(xiii)	Asset	Assets which have physical existence, are called:					
	A.	Current assets	В.	Wasting assets			
	C.	Tangible fixed assets	D.	Intangible fixed assets			
(xiv)	Purch	nases journal records only:					
	A.	Cash sales	В.	Cash purchases			
	C.	Cash and credit purchases	D.	Credit purchases			
(xv)	Cash	account is a:					
	A.	Personal account	B.	Real account			
	C.	Nominal account	D.	Personal and real accou	nt		
(xvi)	Capit	alized expenditures are shown in:					
	A.	Income statement	В.	Trading account			
	C.	Profit and loss account	D.	Balance sheet			
(xvii)	The I	oody of work sheet contains:					
	A.	Two pairs of money column	В.	Three pairs of money co	lumn		
	C.	Four pairs of money column	D.	Five pairs of money colu	ımn		
(xviii)	Intere	est on drawings is:					
	A.	An asset	B.	An expense			
	C.	A revenue	D.	A liability			
(xix)	The excess of credit column over debit column in income statement is called:						
	A.	Net loss	B.	Net profit			
	C.	Gross profit	D.	Gross loss			
(xx)	Error	rs in casting of subsidiary books are ca	alled as:				
	A.	Error of principle	В.	Error of commission			
	C.	Error of omission	D.	Error of book keeper			
For Ex	kamine	er's use only:					
			Tota	l Marks:	20		
			Marks Obtained:				

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PRINCIPLES OF ACCOUNTING

Total Marks Sections B and C: 80

Time allowed: 2:35 Hours Sections B and C comprise pages 1-2 and questions therein are to be answered on the separately provided answer book. Answer any ten parts from Section 'B', any one question from Section 'C (Part-I)' and three questions from Section 'C (Part-II)'. Use supplementary answer sheet i.e. Sheet-B if required. Write your answers neatly and legibly.

SECTION - B (Marks 30)

Attempt any TEN parts. The answer to each part should not exceed 3 to 4 lines. Q. 2

 $(10 \times 3 = 30)$

- What is theory of double entry book-keeping?
- What is an accounting cycle? Give the different phases of accounting cycle. (ii)
- Define Accounting Period Concept. (iii)
- What is meant by accounting equation? State the two basic elements of accounting equation. (iv)
- Describe the convention of consistency. (v)
- Why bank reconciliation statement is prepared? (vi)
- What is meant by term ledger? (vii)
- Give any three examples of error of commission. (viii)
- Describe quick liabilities. (ix)
- What is meant by tenor and maturity? (x)
- Write down the names of six subsidiary books. (xi)
- What is meant by allowance for doubtful debts? (xii)

SECTION - C (Marks 50) (PART - I)

Attempt any ONE question. Note:

 $(1 \times 20 = 20)$

- Enter the following transactions in a three column cash book of M/S Nawaz Traders for the month of Q. 3 June 2016.
 - Cash in hand Rs. 35,000 bank balance Rs. 30,000. June 1
 - Purchased furniture of Karim Rs. 20,000 and Paid in cash Rs. 5,000 and Rs. 15,000 by cheque. June 2
 - Goods purchased from Hamid for Rs. 1600 issued cheque for payment June 4
 - Received a cheque from Rashid Rs. 10,000 less 5% cash discount 5 June
 - Sold goods on account to Salman Rs. 2000 June 6
 - Received a cheque form Salman Rs. 1900 in full settlement of his account Rs. 2000 June R
 - Divdidend collected by the bank Rs. 1000 9 June
 - Salaman's cheque deposited into bank Rs. 1900 10 June
 - Paid to Fraz by cheque Rs. 5000 June 12
 - Withdrew from bank for business use Rs. 1000 14 June
 - 15 Our cheque to Mr. Fraz was dishonoured June
 - Received from Shoaib cash Rs. 5000 and a cheque Rs. 3000 and deposited the cheque 18 June into the bank
 - Bank debited bank charges Rs. 200 20 June
 - Received commission Rs. 500 June 22
 - Purchased goods from Shan Rs. 1500 and Paid cash Rs. 500 June 25
 - Cheque issued to Shan of Rs. 900 in full settlement of Rs. 1000 28 June
 - Salaries paid Rs. 2000 and Rent paid by cheque Rs. 1500 June 30
- The following balances were extracted from the books of a trader on 31st December 2016: Q. 4

Particulars	(Rs.)	Particulars	(Rs.)
Purchases	4,49,000	Sales	7,48,000
Opening stock	92,000	Bills payable	1,700
Coal and gas	2,000	Provision for bad debts	2,400
Plant and machinery	1,00,000	Capital	1,48,400
Furniture	48,000	Interest	500
Selling expenses	20,000	Sundry creditors	30,000
Insurance	3,000		1
Salaries	30,000		
Return inwards	5 0 0		
Factory rent	1,800		
Office rent	7,000		
Sundry Debtors	1,17,000		
Bad debts	3,000	•	
Drawings	3,000		
Cash in hand	5,4000		
Discount	700		
Total	9,31,000		9,31,000

Prepare the trading Profit and Loss account for the year ended 31st December 2016 and balance sheet as on that after taking the following information into consideration:

- Stock on 31st December 2016 Rs. 70,000.
- 2. Create Provision on debtors at 5%
- 3. Depreciate plant and machinery at 5% and furniture at 10% p.a.

(PART - II)

Note: Attempt any THREE questions.

 $(3 \times 10 = 30)$

- Q. 5 On 1st July 2016 Fraz commence business with cash Rs. 80,000 and machinery Rs. 20,000.
 - July 5 Bought office furniture for cash Rs. 5000

 July 10 Purchased goods from Saleem on cash Rs. 2000 less 10% trade discount

 July 15 Sold goods to Rashid and sons Rs. 1000

 July 20 Gave away a charity cash Rs. 50 and goods worth Rs. 100

 July 31 Drew cash for private expenses Rs. 500

Required: Record above these transactions in the journal post them into ledger and extract a trial balance.

Q. 6 Shan sold goods to Asim of Rs. 5,000 on April 1st 2016. On the same date Shan drew a bill on Asim for the same amount at two months, who accept it and return. On 5th April the bill sent to the bank for collection. On the due date the bill was honoured and the bank deducted Rs. 50 as bank charges.

Required: Give journal entries in the books of Shan, Asim and the bank.

- Q. 7 From the following particulars ascertain the bank balance as would appear in the bank statement of Mr. A. Karim as at 31st December.
 - (i) The overdraft as per cash book on 31st December was Rs. 6000.
 - (ii) Interest on overdraft for six months ending 31st December Rs. 200.
 - (iii) Bank Charges for the above period debited in the bank statement to Rs. 50.
 - (iv) Cheques issued but not cashed prior to 31st December Rs. 1500
 - (v) Cheques paid into bank but not cleared and credited before 31st December were Rs. 2500.
 - (vi) Interest on investment collected by bank and credited in the bank statement amounted Rs. 1800.
- Q. 8 State with reason whether the following items are capital or revenue:
 - a. Repair of Furniture purchased second hand.
 - **b.** Preliminary expenses incurred on the flotation of a company.
 - c. Replacement cost of a worn out part of plant.
 - d. Compensation paid to workers in termination of their services.
 - e. A machinery standing in the books at Rs. 3,00,000 were sold for Rs. 2,40,000.

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