Version No.			
4	1	5	1

ROLL NUMBER					

PRINCIPLES OF ACCOUNTING HSSC–II

SECTION – A (Marks 20)

Time allowed: 25 Minutes

Section – A is compulsory. All parts of this section are to be answered on this page and handed over to the Centre Superintendent. Deleting/overwriting is not allowed.

Do not use lead pencil.

حصہ اوّل لازمی ہے۔ اس کے جوابات اسی صفحہ پر دے کر ناظم مرکز کے حوالے کریں۔ کاٹ کر دوبارہ لکھنے کی اجازت نہیں ہے۔ لیڈ پنسل کا استعمال ممنوع ہے۔

Answer Sheet No. _____

ہر سوال کے سامنے دیے گئے، کریکولم کے مطابق درست دائرہ کو پر کریں۔ **Invigilator Sign.** _____

Fill the relevant bubble against each question according to curriculum: **Candidate Sign.** _____

	Question سوال	A	B	C	D	A	B	C	D
1.	In the absence of an agreement, interest on drawing is to be charged by the firm at the rate of:	2% p.a.	4% p.a.	5% p.a.	6% p.a.	○	○	○	○
2.	Mr. A drew cash Rs. 1000 from business for 3 months, the amount of interest on drawing @ 6% p.a. will be:	5	10	15	25	○	○	○	○
3.	The amount of good will brought in cash by a new Partner will be credited to old partner's account in:	Gaining Ratio	New Ratio	Sacrifice Ratio	Old Ratio	○	○	○	○
4.	Profit on revaluation should be credited to:	Revaluation account	Liabilities account	Assets account	Old partners' capital account	○	○	○	○
5.	The format sketch of statement of affairs is similar to:	Trial balance	Profit and loss account	Balance sheet	Income and expenditure account	○	○	○	○
6.	Net worth is equal to:	Assets – liabilities	Liabilities – Assets	Liabilities + Assets	Capital + Assets	○	○	○	○
7.	The opening and closing balances of debtors can be calculated by preparing the:	Sales account	Debtors account	Creditors account	Bills receivables account	○	○	○	○
8.	Single entry system contains:	A day book	A cash book	Individual customers	Incomplete Records	○	○	○	○
9.	Non-profit making organizations:	Buy goods	Sell goods	Manufacture goods	Work for social welfare	○	○	○	○
10.	The amount paid to persons who are invited to deliver lectures in a club is known as:	Salary	Wages	Honorarium	Income	○	○	○	○
11.	Receipt and payment account is a:	Nominal account	Personal account	Real account	Impersonal account	○	○	○	○

	Question سوال	A	B	C	D	A	B	C	D
12.	Consignee is:	Principal	Agent	Payee	Drawer	○	○	○	○
13.	The liability of a member in a company is generally:	Limited	Contingent	Current	Unlimted	○	○	○	○
14.	Company does not receive the applications for all shares issued in:	Under subscription	Over subscription	Normal subscription	Abnormal subscription	○	○	○	○
15.	How many legal basic documents of a public company are there?	2	3	4	5	○	○	○	○
16.	Premium on issue of shares is a:	Business loss	Revenue profit	Capital profit	Revenue loss	○	○	○	○
17.	Current account of the partners should be opened when the capitals are:	Fluctuating	Fixed	Variable	Semi veriable	○	○	○	○
18.	On the admission of a new partner, if good will brought in cash, it should be debited to:	Cash account	Good will account	New Partner's account	Old Partner's Capital account	○	○	○	○
19.	On retirement of a partner the share of retiring partner is taken by:	New Partner	Remaing Partners	Government	Legal representative	○	○	○	○
20.	According to the decision of Garner Vs Murray rule, the loss of insolvent partner is to be shared by solvent partner in the:	Capital ratio	Old profit sharing ratio	New profit sharing ratio	Gaining ration	○	○	○	○

ROLL NUMBER					

PRINCIPLES OF ACCOUNTING HSSC–II

Time allowed: 2:35 Hours **Total Marks Sections B and C: 80**

NOTE: Sections 'B' and 'C' comprise pages 1-2. Answer any ten parts from Section 'B', any one question from Section 'C (Part-I)' and three questions from Section 'C (Part-II)' on the separately provided answer book. Write your answers neatly and legibly.

SECTION – B (Marks 30)

Q. 2 Attempt any TEN parts. The answer to each part should not exceed 3 to 4 lines. (10 x 3 = 30)

(i) What is provision?

(ii) Briefly explain the double entry system.

(iii) What is meant by non-profit making concern?

(iv) Describe special subscription briefly.

(v) What is a consignment?

(vi) Explain proforma invoice briefly.

(vii) Describe 'preliminary expenses' briefly.

(viii) What is 'memorandum of association'?

(ix) Briefly explain the Realization Account.

(x) Describe the term 'amortization' briefly.

(xi) What is meant by the term 'depreciation'?

(xii) What is meant by revaluation account?

SECTION – C (Marks 50)

(PART – I)

Note: Attempt any ONE question. (1 x 20 = 20)

Q. 3 The following was the balance sheet of A and B, who were sharing profits 2/3 and 1/3 on 31 Dec. 2022

Balance Sheet

Assets	Rs.	Liabilities	Rs.
Buildings	25000	Capital account	
Machinery	17500	A	15000
Stock	10000	B	10000
Debtors	4850	Creditors	32950
Cash	600		
	57950		57950

Pass the necessary journal entries, prepare revaluation account, capital account and new balance sheet. They agreed to admit C into partnership on the following terms.

(i) C was to bring Rs. 7500 as his capital and Rs. 3000 as good will for $\frac{1}{4}$ shares in the firm.

(ii) The value of stock and machinery were to be reduce by 5%.

(iii) Rs. 375 provision for doubtful debts created.

(iv) The building account was to be appreciated by 10%.

Q. 4 On 1st January, 2022 A and B entered into partnership contributing Rs. 200,000 and Rs. 150,000 respectively and sharing profits in the ratio of 3:2. B is to be allowed a salary Rs.5000 per year. Interest on capital is to be allowed at 10%, 5% interest charged on the drawing during the year. A withdrew Rs. 6000 and B Rs. 1000, profit before making any adjustments was Rs. 48000.

Show how the profit is to be distributed? Also show the capital accounts:

(a) If they are fixed (b) If they are fluctuating

(PART – II)

Note: **Attempt any THREE questions.** **(3 x 10 = 30)**

Q. 5 Ahmed Bilal of Rawalpindi, consigned 100 cases of candles to Abdulah which cost him Rs. 50 per case. He incurred the expenses Rs. 450. Some of the cases were damaged in transit and Abdullah took delivery of 90 cases only. Abdullah spent Rs. 350 as expenses and 5% commission on sales. Abdullah sold 80 cases at Rs. 60 Per case. Consignor received 300 form railway as damages. Show the necessary ledger accounts in the book of Ahmed Bilal.

Q. 6 For the following receipts and payments accounts of SISC club during the year 2021. Receipts and payment account for the year ended on 31, Dec. 2021

Receipts	Rs.	Payments	Rs.
Subscription	5200	Salaries	1400
Donation	300	Rent	1300
Admission fee	100	Printing	100
Sale of old Newspapers	60	Postage	80
		Newspapers	70
		Furniture	1000
		Cash	1710
	5660		5660

Subscription includes Rs. 250 collected in advance for the year 2022. A sum of Rs. 400 is due by members on account of subscription on 31 Dec. 2021. The following expenses are outstanding on 31 Dec. 2021. Salaries Rs. 300 and Rent Rs. 200.

Q. 7 A and Co. purchased machinery for 160000 on 1st July 2013. The books are closed on 31 Dec. every year. On 30th June 2016, It was sold for Rs. 70000 and new machinery was purchased for Rs. 180,000 on the same date. Depreciation is charged at the rate of 15% p.a. on original cost method.
Prepare the machinery account up to 2016 in the books of company.

Q. 8 Mr. Saleem commenced business on 1st Jan, 2021, with a capital of Rs. 50000. He purchased furniture for Rs. 12000. On 1st April, he borrowed Rs. 30,000 from his friend @ 10% p.a. and introduced further capital of his own amounting the Rs. 19000. He had withdrawn Rs. 1800 at the end of each month for personal use. On 31 Dec. 2021 his position was as follows. Cash Rs. 1200, Bank Rs. 15600, sundry debtors Rs. 28800, stock Rs. 40800, B/R Rs. 9600, sundry creditors Rs. 3000, rent due Rs. 900.
Ascertain the profit or loss made by him after consideration the following adjustments.

(i) Depreciate furniture @ 10% p.a.

(ii) Interest on capital @ 10%.

(iii) Write off Rs. 2800 from sundry debtors.