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Version No.				
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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 پُر 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.	Net worth is equal to:	Assets – Liabilities	Liabilities – Assets	Liabilities + capital	Capital + Assets	○	○	○	○
2.	Both aspects of a transaction must be recorded in:	Single entry system	Barter system	Double entry system	Islamic system	○	○	○	○
3.	Which of the following is an example of non-profit making organization?	Fan factory	Shoe factory	Trust hospital	Private University	○	○	○	○
4.	Which of the following is **NOT** called capital fund?	General fund	Surplus fund	Accumulated fund	Building fund	○	○	○	○
5.	The amount received by the concern as per the will of the donor is knowns as:	Legacy	Donation	Subscription	Expense	○	○	○	○
6.	The amount paid to persons who are invited to deliver lectures in a club is known as:	Salary	Wages	Honorarium	Donation	○	○	○	○
7.	Lump sum amount received from members which enables them to become the member for whole of the life for a nonprofit making organization is called:	Life membership fee	Donation	Subscription	Admission fee	○	○	○	○
8.	The consignee sells the goods on behalf of:	Drawer	Drawee	Consignor	Agent	○	○	○	○
9.	The relationship between consignor and consignee is that of:	Principal and agent	Debtor and creditor	Buyer and Seller	Pledger and Pledgee	○	○	○	○
10.	In case of consignment, risk attached to the goods consigned are sold, lies with the:	Consignee	Consignor	Buyer	Debtor	○	○	○	○
11.	Abnormal loss does **NOT** occur due to:	Loss by fire	Accident	Theft	Leakage	○	○	○	○

	Question سوال	A	B	C	D	A	B	C	D
12.	The document which contains the fundamental conditions upon which alone company can incorporate, is called:	Articles of association	Prospectus	Memorandum of association	Certificate of incorporation	○	○	○	○
13.	A person who gives the guarantee for shares and debentures offered to public is called:	Director	Promotor	Underwriter	Over writer	○	○	○	○
14.	One of the units into which the capital of the company is divided is called:	Debentures	Share	Capital	Prize bond	○	○	○	○
15.	Decline in the value proportionate to the quantum of production is called:	Amortization	Depletion	Depreciation	Wear and tear	○	○	○	○
16.	Depreciation is a charge against.	Expense	Revenue	Liability	Capital	○	○	○	○
17.	Original cost of assets Rs 45000, scrap value Rs 3000, useful life of asset 7 years, then the annual value of depreciation will be:	Rs 6000	Rs 7000	Rs 6500	Rs 8000	○	○	○	○
18.	In the absence of an agreement, interest on loan advanced by a partner to the firm is allowed at the rate of:	6%	5%	12%	7%	○	○	○	○
19.	On retirement of a partner, the share of retiring partner is taken by:	New partner	Remaining Partners	Government	Legal representative of retiring partner	○	○	○	○
20.	According to the decision of "Garner vs Murrey" rule, the loss of insolvent partner is to be shared by solvent partners in the:	New profit sharing ratio	Old profit sharing ratio	Capital ratio	Gaining ratio	○	○	○	○

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PRINCIPLES OF ACCOUNTING HSSC–II

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

SECTION – B (Marks 30)

Q. 2 Write brief answers of any TEN parts. **(10 x 3 = 30)**

(i) Differentiate between "Statement of Affairs" and "Balance sheet".

(ii) Differentiate between "Cash book" and "Receipt and payment account" (Any three points)

(iii) Differentiate between "Receipt and Payment account" and "Income and expenditure account" (Any three points)

(iv) Briefly explain "Consignment inward" and "Consignment outward".

(v) Briefly explain account sales.

(vi) Briefly explain "Direct expenses" and "Indirect expenses" in respect of consignment.

(vii) Write names of important legal documents of joint stock company. (only names)

(viii) Write names of "Types of debentures". (any three)

(ix) Differentiate between "Depreciation" and "Fluctuation". (Any three)

(x) Differentiate between "Original cost method" and "Reducing balance method". (Any three)

(xi) Differentiate between "Provision" and "Reserve". (Any three)

(xii) Briefly explain "Gaining" and "Sacrifice Ratio".

SECTION – C (Marks 50)

(PART – I)

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

Q. 3 The following was the balance sheet of Hashir and Saeed who were sharing profit $\frac{2}{3}$ and $\frac{1}{3}$ on 31st March 2024.

Balance Sheet

Assets	Rs.	Liabilities+capital		Rs.
Building	50000	Capital account		
Plant and machinery	35000	Hashir	30000	
Stock	20000	Saeed	20000	50000
Sundry debtors	9700	Sundry creditors		65900
Cash in hand	1200			
	115900			115900

They agreed to admit Awais into partnership on the following terms:

(i) Awais was to bring Rs 15000 as his capital and Rs 6000 as goodwill for $\frac{1}{4}$ share in the firm.

(ii) Values of the stock and plant and machinery were to be reduced by 5%.

(iii) A reserve was to be created in respect of sundry debtors Rs 750.

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

Requirement: Prepare "Revaluation account, capital account and the new balance sheet of the firm.

Q. 4 On 1st January 2024, A and B enter into Partnership with a capital of Rs 400,000 and Rs 300,000 respectively and sharing profit and loss in the ratio of 3:2. B is to be allowed a salary of Rs. 10,000 per year. Interest on capital is to be allowed at 10% P.A, 5% interest is to be charged on the drawings. During the year A withdrew Rs 12000 and B Rs 20,000, interest on drawings being A Rs 200 and B Rs 400. Profit in 2024 before making any of the above adjustments was Rs 96,000.

Requirement: 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 On 1st September 2022 Qasim of Lahore sent 500 cases @ Rs 300 each to Aziz of Karachi to be sold on his account and at his risk for 7.5% commission and 2.5% delcredre commission and incurred Rs. 11000 expenses Rs 40000 advance has been received on 31st December 2022. Aziz sent an account sales disclosing that 400 cases have been sold for Rs 450 each. He has incurred unloading expenses etc Rs 1500 and selling expenses Rs 2000. He sent a bank draft for the net amount due.

Prepare necessary ledger accounts in the books of Qasim.

Q. 6 Ishaq Khan keeps his books on single entry system his financial position was as follow:

	Jan 1 2021	Dec 31 2021
Sundry debtors	8500	14000
Cash in hand	200	300
Cash at bank	3000	2000
Stock	20000	19000
Machinery	1800	1800
Motor vehicles	14000	14000
Furniture	16000	16000
Sundry creditors	22000	29000

During the year he withdrew for personal use Rs 14000. He introduced additional capital on 1st July 2021 Rs 18000. Charge depreciation on machinery, motor vehicle and furniture 10% P.A. Allow interest on capital at 6% P.A. Ascertain the profit or loss made by him under net worth method for the year ended 31st December 2021

Q. 7 Ikhlaq Bros agreed to take over the business of M/S Waqar & sons. The asset and Liabilities of M/S Waqar & sons are:

Land and building Rs 200,000, creditors Rs 30,000, plant & machinery Rs 160,000, Bill payable Rs 20000, furniture & fixture Rs 80,000, Bill receivable Rs 70,000. The purchase consideration is settled by fully paid up shares of Rs 100 each at par value if purchase consideration is Rs 420,000.

Pass the Journal entries and balance sheet of newly formed business.

Q. 8 A company which follows the calendar year as its accounting year, purchased on 1st April 2019 machinery costing Rs 60,000. It purchased further machinery on 1st Oct, 2019 costing Rs 40,000 and on 1st July 2020 costing Rs 20,000 on 1st January 2021, machinery installed on 1st April 2019 became obsolete and was sold for Rs 18000.

Show how machinery account would appear in the books of company, if machinery was depreciated by fixed instalment method at 10% P.A. What would be the balance of machinery account on 1st January 2022?