

Sign. Dy. Supdnt.

Fictitious Roll No. (For Office Use)

Sign. Candidate

**Principles of Accounting**

(PART - I)

22/01

Marks : 20

(OBJECTIVE PART)

(INTERMEDIATE)

Time : 30 Minutes

Note:- Write your Roll No. in space provided. Over writing, cutting, using of lead pencil

will result in loss of marks. All questions are to be attempted. **AJK-22**

1- Each question has four possible answers, Tick (✓) the correct answer. (20)

1	Book keeping is first step of;							
	A	Accounting	B	Business	C	Accountancy	D	Trade
2	Journal means;							
	A	Daily	B	Weekly	C	Monthly	D	Yearly
3	Normal balance of owner's equity is called;							
	A	Debit balance	B	Credit balance	C	Positive balance	D	Negative balance
4	Real account relates to;							
	A	Expenses	B	Revenue	C	Assets	D	Liabilities
5	Assets are always equal to;							
	A	Liabilities	B	Capital + Liabilities	C	Drawings	D	Bonus
6	Liabilities plus owner's equity is equal to;							
	A	Investment	B	Drawings	C	Capital	D	Assets
7	Owner of the single business is called;							
	A	Manager	B	Debtor	C	Proprietor	D	Creditor
8	Economic activity carried with a view to earn profit is called;							
	A	Accounting	B	Trade	C	Business	D	Assets
9	Bank does not pay interest on;							
	A	Fixed account	B	Saving account	C	Current account	D	Capital account
10	Cheque book not issued by bank;							
	A	Fixed deposit	B	Saving account	C	Current account	D	Capital account
11	In case of renewal of bill the old bill is;							
	A	Retired	B	Discounted	C	Cancelled	D	Un-discounted
12	Parties to the bill of exchange are;							
	A	Two	B	Three	C	Four	D	Five
13	Bill of exchange is defined under negotiable instrument act;							
	A	1881	B	1981	C	1920	D	1820
14	Invoice is prepared by the;							
	A	Buyer	B	Seller	C	Carrier	D	Trader
15	Normal balance of sales is;							
	A	Credit	B	Debit	C	Positive	D	Negative
16	One of these is intangible asset;							
	A	Plant	B	Furniture	C	Cash	D	Franchises
17	Which one is capital receipt;							
	A	Investment by owner	B	Interest on deposit	C	Sale of goods	D	Revenue expenditure
18	Which one is a revenue receipt;							
	A	Investment by owner	B	Loan from bank	C	Sale of goods	D	Capital
19	Errors are classified into categories;							
	A	Two	B	Three	C	Four	D	Five
20	To rectify which error, suspense account is used;							
	A	Two sided error	B	One sided error	C	Principles error	D	No error

(The End)

**SECTION - I** *AJK-22*

2- Write short answers of any five parts. (2 x 5 = 10)

i	Prepare accounting equation formula.	ii	Define Real Account.
iii	What is owner equity?	iv	Why Journal is called day book?
v	What is Zero Balance?	vi	Why ledger is called king of all books.
vii	Explain type of cash books.	viii	Analyze Real Account.

3- Write short answers of any five parts. (2 x 5 = 10)

i	How maturity date is calculated in case of bill of exchange? Explain with an example.	ii	What is difference between Payee and drawee of bill of exchange?
iii	Define debit memorandum.	iv	Differentiate between tangible assets and intangible assets.
v	What is meant by Capital Expenditures?	vi	Define Capital Profit.
vii	What is meant by error of omission?	viii	Define suspense account.

**SECTION - II**

Note:- Attempt any three questions.

(20 x 3 = 60)  
(20)

4- Journalize the following transactions.

- i. Started business with cash Rs. 50,000.
- ii. Purchased Land for Rs. 10,000.
- iii. Purchased goods from Ali Rs. 1000.
- iv. Sold goods to Kashif Rs. 2500.
- v. Paid cash to Ali Rs. 500.
- vi. Received cash from Kashif Rs. 1250.
- vii. Depreciation on Land is Rs. 1000.
- viii. Received Rent Rs. 500.
- ix. Paid wages Rs. 250
- x. Withdrew cash Rs. 1000 for personal use.

5- Prepare Account Equation from following data. (20)

1. Started business with cash Rs. 300,000.
2. Purchased building for cash Rs. 130,000.
3. Purchase goods for cash Rs 85,000.
4. Purchased goods on credit Rs. 70,000.
5. Sold goods on account Rs. 65,000.
6. Paid cash to creditor Rs. 40,000.
7. Cash paid for advertising expense Rs. 3,500.
8. Received cash from debtor Rs. 45,000.

6- Prepare bank reconciliation statement. (20)

- i. Balance as per cash book Rs. 13,200.
- ii. Cheque drawn but not presented for payment Rs. 8,700.
- iii. Cheque deposited into bank but not credited Rs. 5,100.
- iv. Bank collected dividend Rs. 5,600.
- v. Insurance paid directly by bank Rs. 2,500.
- vi. Bank charge Rs. 1,700 debited by bank.



- 7- On 1<sup>st</sup> January 2020 Ali sold goods to Salman for RS. 8000 and drew upon him a three months bill which was accepted and returned by Salman. Ali discounted the bill with his bank at 10% per annum. On the due date the bill was dishonoured.

**Required:** Pass Journal entries in the books of both the parties. (20)

- 8- i. Furniture purchased  
 ii. Paid salaries.  
 iii. Repair of plant.  
 iv. Cost of good will.  
 v. Paid rent of shop.  
 vi. Depreciation on plant.  
 vii. Building purchased.  
 viii. Paid income tax.  
 ix. Paid interest on loan.  
 x. Cost of machinery. (20)

**Required:** State with reasons whether the following are Capital or Revenue.

- 9- Prepare trading and profit & loss account and balance sheet from the given Trial Balance of Mr. Shoaib as on 31<sup>st</sup> December, 2021. (20)

Particulars	Debit Rs.	Credit Rs.
Cash	20000	
Stock	40000	
Debtors	24000	
Drawings	3000	
Purchases	220000	
Wages	10000	
Expenses	12000	
Furniture	8000	
Goodwill	60000	
Creditors		28000
Sales		500000
Capital		140000
Building	271000	
<b>Total</b>	<b>668000</b>	<b>668000</b>

**Adjustments:-**

- (i) Closing Stock Rs. 20000.  
 (ii) Depreciation on building 10% p.a.  
 (iii) Prepaid expenses Rs. 4000.  
 (iv) Outstanding wages Rs. 2000.

(The End)