



Roll No.

Answer Sheet No.

Sig. of Candidate.

Sig. of Invigilator.

PRINCIPLES OF ACCOUNTING HSSC-I

SECTION – A (Marks 20)

Time allowed: 25 Minutes

NOTE:- Section-A is compulsory. All parts of this section are to be answered on the question paper itself. It should be completed in the first 25 minutes and handed over to the Centre Superintendent. Deleting/overwriting is not allowed. Do not use lead pencil.

Q. 1 Circle the correct option i.e. A / B / C / D. Each part carries one mark.

- (i) A proper and fair planning of expenditure helps us to ensure proper use of _____
A. Our liabilities B. An income C. Our expenses D. Assets
- (ii) In double entry system interest on capital is calculated on _____ capital.
A. Opening and closing B. Opening
C. Fresh D. Closing
- (iii) Which of the following is an Asset?
A. Machinery B. Creditors for goods
C. Bank loan D. Bills payables
- (iv) When saleable goods are bought in a business, it is said to be _____
A. Sales B. Purchases C. Assets D. Goods
- (v) In double entry system of book-keeping every business transaction affects _____
A. Debit or credit side of the same account B. Two accounts
C. The same side of the same account D. None of these
- (vi) Events related with money are called _____ events.
A. Monetary B. Non monetary C. Non social D. Political
- (vii) All events relevant to business must be measurable in terms of _____
A. Goods B. Units C. Money D. Ethical values
- (viii) Discounts allowed are _____
A. Deducted when we receive cash B. Given by us when we sell goods on credit
C. Deducted by us when we pay our creditors D. None of these
- (ix) A transaction taking place with an outside person or business is called _____ transaction.
A. Internal B. External C. Paper D. None of these
- (x) The system of recording transaction on dual aspect concept is _____ system.
A. Double entry B. Double account C. Single entry D. Management
- (xi) Depreciation is _____
A. The amount spent to buy a fixed asset
B. The salvage value of a fixed asset
C. Decrease in value of asset due to wear and tear
D. The amount of money spent in replacing assets
- (xii) What is the minimum number of parties required in the case of bill of exchange?
A. 5 B. 4 C. 3 D. 2
- (xiii) The accounting equation is based on _____ concept.
A. Going concern B. Dual aspect C. Money measurement D. None of these
- (xiv) Accounts relating to persons or firms are called _____
A. Real accounts B. Personal accounts
C. Proprietary accounts D. Nominal accounts
- (xv) Real accounts are related to _____
A. Assets B. Expenses C. Customers- creditors D. Incomes
- (xvi) Receipts and Payments Account is one _____
A. Which is accompanied by a balance sheet
B. In which the profit is calculated
C. In which the opening and closing cash balances are shown
D. In which the surplus of income over expenditure is calculated
- (xvii) Cash account is concerned with _____
A. Real account B. Personal account C. Nominal account D. Capital account
- (xviii) When there is partnership agreement then profits and losses _____
A. Must be shared in the same proportion as capitals
B. Must be shared equally
C. Must be shared equally after adjusting for interest on capital
D. In an agreed ratio
- (xix) A purchase of furniture for cash should be debited to _____ account.
A. Cash B. Purchases C. Furniture D. Fixtures
- (xx) The amount of salary paid to Imran should be debited to _____ account.
A. Imran's B. Salaries C. Cash D. Wages

For Examiner's use only:

Total Marks:

Marks Obtained:



PRINCIPLES OF ACCOUNTING HSSC-



Time allowed: 2:35 Hours

Total Marks Sections B and C: 80

NOTE:- Section B & 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)

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 meant by Double Entry system?
- (ii) What is meant by Capital receipt and Revenue receipt?
- (iii) What are the main objects of book-keeping?
- (iv) Write down the main advantages of Double Entry system.
- (v) What is Trade discount and Cash discount?
- (vi) Define the terms Assets and Liabilities.
- (vii) Explain the terms Accrual and Prepaid expenses.
- (viii) What is business entity concept?
- (ix) What is accounting period concept?
- (x) State the formula of Accounting Equation.
- (xi) Explain the terms Personal, Real and Nominal Account.
- (xii) What is Journal and why is it called day book?

SECTION – C (Marks 50)

(PART – I)

Note:- Attempt any ONE question.

(1 x 20 = 20)

Q. 3 From the following particulars prepare a trading, profit and loss account and balance sheet for the year ended on 31-12-2007:

Particulars	Amount (Dr) Rs.	Amount (Cr) Rs.
Capital	-	35,000
Machinery	7,600	-
Drawings	3,000	-
Purchases/Sales	104,000	132,000
Freight	300	-
Carriage	700	-
Returns	3,200	2,400
Wages	7,000	-
Salaries	6,500	-
Rent	2,000	-
Debtors/Creditors	6,400	6,800
Stock (1 Jan 07)	10,000	-
Bill Receivable and Payables	2,700	4,600
Cash in hand	27,400	-
	180,800	180,800

Adjustments:

- (i) Closing stock was Rs. 17,000/-
- (ii) Depreciate machinery at 10%.
- (iii) Accrued expenses: Salary Rs. 300/- and Wages Rs. 1000/-
- (iv) Goods taken away by the proprietors for personal use Rs. 600/-

Q. 4 From the following particulars prepare three columns cash book showing cash and bank balance and discount account:

March 1	Started business with cash Rs. 90,000/-
March 2	Deposited with bank Rs. 30,000/-
March 4	Purchased goods from Habib for Rs.1500/- and issued a cheque for payment.
March 5	Purchased Almirah for Rs.1500/- paying Rs.500/- in cash and issued a cheque for the balance.
March 6	Purchased goods from Akhtar for Rs.2500/- on credit.
March 7	Cash sales Rs.800/- paid into bank.
March 10	Paid to Akhtar by cheque Rs.1450/- discount received Rs.50/-.
March 11	Received a cheque from A & Co for Rs.2470/- discount allowed Rs.30/-
March 12	A & Co cheque paid into bank.
March 13	Withdrew cash from bank Rs.5000/-.
March 14	Withdrew cash for personal use Rs.1500/-.
March 15	Salaries paid by cheque Rs.3500/-.

(PART – II)

Note: Attempt any THREE questions:

(3 x 10 = 30)

Q. 5 A sold goods to B for Rs.6,000/- and drew a bill for four months. B accepts the bill and returns it to A. Show what entries should be passed in the books of both the parties if the bill is paid on due date:

- If the bill is retained till the due date.
- If it is discounted from the bank for Rs.5,880/-.
- If it is endorsed to C in settlement of debts.
- If the bill is sent to the bank for collection.

Q. 6 A trader is not familiar with the double entry system of book keeping and he made a trial balance having difference of Rs.780/- which is transferred to the suspense account. Later on the following errors were detected:

- Commission account debit balance Rs.2430/- was not transferred to the Trial Balance.
- The total of the sales book Rs.3480/- was not entered in the sales account.
- Sale of old furniture for Rs.2400/- was posted to sales account.
- Purchases from Kashif Stores Rs.2250/- was not entered in the books
- Cash paid to Rashid Rs.3520/- was debited to his account as Rs.3250/-.
- Goods sold to Ahmad for Rs.1250/- were debited to Aslam account.

Q. 7 From the following particulars prepare Bank Reconciliation of M/S Azhar & Co. as on 31-12-2008:

- Balance as per the pass book Rs. 80,000/-
- Cheques deposited into Bank but was not collected amounting to Rs.20,000/-.
- Interest on deposits credited by the Bank Rs.2000/- but was not entered in the Cash Book.
- Akbar deposited into our bank account Rs.15000/- but no intimation was received.
- Dividend collected by the Bank Rs. 8000/- but not entered in the Cash Book

Q. 8 Record the following transactions in the journal, post into the ledger and prepare a trial balance:

Jan 1	Wazir started business with cash Rs.200,000/-.
Jan 2	Deposited cash into bank Rs.120,000/-.
Jan 3	Purchased goods for cash Rs.10,000/-
Jan 4	Purchased goods from Nadeem on credit Rs.20,000/-
Jan 5	Sold goods for cash Rs.30,000/-.
Jan 6	Sold goods on credit to Kashif Rs.12,000/-.
Jan 7	Purchased building Rs.40,000/- and paid by cheque.
Jan 8	Paid Salaries in cash Rs.10,000/-.