

2017



Roll No.

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Answer Sheet No.

Sig. of Candidate.

Sig. of Invigilator.

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## PRINCIPLES OF ACCOUNTING HSSC-I

### SECTION – A (Marks 20)

**Time allowed: 25 Minutes**

**NOTE:-** Section-A is compulsory and comprises pages 1-2. 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) All those goods which are lying unsold in a business are termed as \_\_\_\_\_  
 A. Revenue      B. Expense      C. Stock      D. Sale
- (ii) The discount allowed by wholesaler to the retailer at the list price of goods is called \_\_\_\_\_  
 A. Trade discount      B. Discount allowed  
 C. Cash discount      D. Discount received
- (iii) The business in which a merchant purchases goods and sells it in the same position is called \_\_\_\_\_  
 A. Manufacturing concern      B. Trading concern  
 C. Service concern      D. Going concern
- (iv) According to accounting equation, capital is equal to \_\_\_\_\_  
 A. Assets+Liabilities      B. Assets + Expenses  
 C. Assets – Liabilities      D. None of these
- (v) Rent paid to landlord for a portion of building will be debited to \_\_\_\_\_  
 A. Landlord account      B. Building account  
 C. Rent account      D. Cash account
- (vi) Goods, returned to Akbar, should be debited to \_\_\_\_\_  
 A. Sales return account      B. Akbar Account  
 C. Purchases return account      D. Purchases account
- (vii) Account of assets normally have \_\_\_\_\_  
 A. Debit balance      B. Credit balance      C. Zero balance      D. Both B and C
- (viii) Persons or institutions are recorded in \_\_\_\_\_  
 A. Personal Account      B. Nominal Account  
 C. Real Account      D. Capital Account
- (ix) In case of endorsement of bill the endorser debits \_\_\_\_\_  
 A. Bills payable Account      B. Cash Account  
 C. Creditor Account      D. Bills receivable Account
- (x) Which book is used to record all credit purchases?  
 A. Cash book      B. Credit book  
 C. Purchases book      D. Debit note book

DO NOT WRITE ANYTHING HERE

- (xi) The cash book is a book of \_\_\_\_\_  
 A. Single entry B. Original entry C. Double entry D. Compound entry
- (xii) The money can be deposited into bank by means of \_\_\_\_\_  
 A. Cash book B. Cheque book  
 C. Pay-in slip book D. Pass book
- (xiii) The price of goods sold or services rendered to the customers is called \_\_\_\_\_  
 A. Sale B. Profit C. Expense D. Revenue
- (xiv) The valuation of closing stock is at \_\_\_\_\_  
 A. Cost Price B. Cost or Market price whichever is lower  
 C. Market Price D. Cost or Market price whichever is higher
- (xv) Net profit is transferred to \_\_\_\_\_  
 A. Drawing Account B. Creditor's account  
 C. Debtor's account D. Capital account
- (xvi) A prepaid expense is \_\_\_\_\_  
 A. An asset B. A liability C. An expense D. An income
- (xvii) The loss on the sale of old machinery is debited to \_\_\_\_\_  
 A. Machinery Account B. Depreciation Account  
 C. Profit and loss Account D. Accumulated depreciation Account
- (xviii) Sales are equal to \_\_\_\_\_  
 A. Cost of goods sold + Profit  
 B. Gross Profit – Cost of goods sold  
 C. Cost of goods Sold – Gross Profit  
 D. Purchases – Gross Profit
- (xix) From the business point of view, interest on drawings is a/an \_\_\_\_\_  
 A. Asset B. Expense C. Liability D. Revenue
- (xx) Any difference in Trial balance is transferred to \_\_\_\_\_  
 A. Real account B. Nominal account  
 C. Personal account D. Suspense account

For Examiner's use only:

Total Marks:

20

Marks Obtained:

—1HA-1115—

# PRINCIPLES OF ACCOUNTING HSS

Time allowed: 2:35 Hours

Total Marks Sections B and C

NOTE:- 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)

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

- |   |   |
|---|---|
| (i) Define Assets.  | (ii) What are "Nominal Accounts"?           |
| (iii) What are Days of Grace?                                   | (iv) What is meant by "Debit note"?         |
| (v) Write three types of Bank Account.                          | (vi) What is Bank Reconciliation Statement? |
| (vii) Define Balance Sheet?                                     | (viii) What is meant by compensating error? |
| (ix) Give three examples of capital expenditure.                |   |
| (x) What adjusting entry will be passed for Accrued Income?     |   |
| (xi) What is meant by Revenue receipt?                          |   |
| (xii) What are the three basic elements of Accounting Equation? |   |

## SECTION – C (Marks 50)

### (PART – I)

Note:- Attempt any ONE question.

(1 x 20 = 20)

Q. 3 Required: From the following Trial Balance of ABC Brothers Prepare Trading, Profit and Loss Account and Balance Sheet as on 31<sup>st</sup> December 2008:

Particulars	Rs.	Particulars	Rs.
Machinery	12,000	Accounts Payable	12,408
Debtors	10,690	Discount	627
Opening Stock	2920	Sales	11439
Bank	3151	Capital	18390
Purchases	9092		
Drawings	250		
Carriage	600		
Salary	1300		
Wages	1910		
Insurance	119		
Postal Charges	132		
Bad Debts	700		
	42,864		42,864

### Adjustments:

- |                                |   |
|--------------------------------|---|
| (i) Closing Stock Rs 7928      | (ii) Outstanding Wages Rs. 300                  |
| (iii) Prepaid Insurance Rs.50  | (iv) Create Bad Debts Reserve at 10% on Debtors |
| (v) Depreciate Machinery by 5% |   |

Q. 4 On 1<sup>st</sup> July 2008 Cash Book of Fazal Corporation showed cash in hand Rs. 1,500/- and at bank Rs. 70,000/-. Required: Prepare three columns Cash Book from the following transactions for the month of July 2008:

- |                           |  |
|---------------------------|--|
| 1 <sup>st</sup> July 2008 | Received from Hasan a cheque for Rs. 2550/- on his account.          |
| 2 <sup>nd</sup> "         | Received from Rameez Rs. 9900/- and discount allowed Rs. 100/-       |
| 3 <sup>rd</sup> "         | Deposited into bank Rs. 5000/-                                       |
| 4 <sup>th</sup> "         | Purchased goods for Rs. 25,000/- and paid by cheque                  |
| 5 <sup>th</sup> "         | Sold goods to Amir on credit Rs. 7000/-                              |
| 7 <sup>th</sup> "         | Amir paid by cheque Rs. 6900/- for settlement of his account.        |
| 8 <sup>th</sup> "         | Sold goods for cash Rs. 7000/-                                       |
| 11 <sup>th</sup> "        | Paid to Saleem Rs. 9800/- by cheque and discount received Rs. 200/-. |
| 12 <sup>th</sup> "        | Hasan's cheque deposited into bank.                                  |
| 14 <sup>th</sup> "        | Paid Telephone Bill Rs. 600/-.                                       |
| 16 <sup>th</sup> "        | Cheque of Amir deposited into bank.                                  |
| 20 <sup>th</sup> "        | Purchased goods for cash Rs. 1000/-                                  |
| 24 <sup>th</sup> "        | Withdrew from bank for office use Rs. 10,000/-.                      |
| 26 <sup>th</sup> "        | Rent paid by cheque Rs. 3000/-.                                      |
| 27 <sup>th</sup> "        | Purchased stationery Rs. 150/-.                                      |



Note: Attempt any THREE questions:

(3 x 10)

Q. 5 **Required:** Prepare an Accounting Equation of Rab Nawaz for the month of July 2009. His monthly transactions are:

Balance at the beginning:

	Rs.		Rs.
Cash	25,000/-	Capital	100,000/-
Debtors	17,000/-	Creditors	34,000/-
Stock	22,000/-		
Machinery	70,000/-		
	<u>134,000/-</u>		<u>134,000/-</u>

4 July 2009	Purchased goods for Rs. 5000/- subject to a trade discount of 10%.
7 " "	Goods sold on credit Rs. 6,000/-, costing Rs. 4500/-.
9 " "	Purchased computer for office use Rs. 7000/-.
10 " "	Received Rs. 5900/- from debtor for full settlement of Rs. 6000/-.
15 " "	Provide depreciation on machinery 10%.
20 " "	Returned goods to supplier Rs. 1000/- and received cash.
25 " "	Commission received in advance Rs. 1500/-.
30 " "	Salary outstanding Rs. 7000/-.

Q. 6 **Required:** Prepare the Bank Reconciliation Statement of Ghulam Ali for the month of December 2008 from the information given below:

- On 20<sup>th</sup> December cheques were issued in favour of creditors for Rs. 19000/- but out of them two cheques for Rs. 14000/- were encashed next month.
- One customer had deposited directly into the bank Rs. 2500/- but it was not mentioned in the Cash Book.
- The trader had withdrawn from the bank Rs 7000/- but the same had not been entered in the Cash Book.
- On 25<sup>th</sup> December a cheque for Rs. 6000/- was received and entered in the Cash Book but had been omitted to be sent to the bank.
- On 27<sup>th</sup> December Rs.350/- were credited in the Pass Book as interest on investment, but not entered in Cash Book.
- Bank charges Rs. 200/- were also shown in Pass Book which were entered in Cash Book in January 2009.
- Balance as per Cash Book Dr. Rs. 40,000/-

Q.7 Prepare Journal, ledger and Trial Balance of Shadab & Sons for the month of October 2009. His business transactions are as follows:-

1 <sup>st</sup> October	2009	Business started with Cash Rs. 300,000/- and goods Rs. 50,000/-.
3 <sup>rd</sup> October	"	Sold Goods to Kashif at list price less trade discount @ 10% Rs. 20,000/-.
7 <sup>th</sup> October	"	Paid rent in advance Rs. 5,000/-.
11 <sup>th</sup> October	"	Received from Kashif Rs. 8,000/-.
15 <sup>th</sup> October	"	Purchased machinery from Aslam Sons for Rs. 25,000/- on credit.
19 <sup>th</sup> October	"	Gave Rs. 10,000/- as loan to Atif.
21 <sup>st</sup> October	"	Charged Depreciation on machinery @ 10%.
29 <sup>th</sup> October	"	Cash deposited into bank Rs. 50,000/-.

Q.8 On 1<sup>st</sup> July 2009 X received from Z three bills for Rs. 700, Rs. 600 and Rs. 500 for three months, two months and one month, respectively.

On 3<sup>rd</sup> July 2009, the first bill was endorsed in favour of a creditor M. The second bill was discounted at the bank on 15<sup>th</sup> July 2009 for Rs. 580.

The third bill was dishonoured and noting charges paid Rs. 12.

X charged Z Rs.15 interest and drew on him fourth bill for Rs. 527 for three months in settlement.

The payment of this bill was received in cash.

**Required:** Show the entries in the Journal of X. Dates must be considered.