** Pakistan School, Kingdom of Bahrain**

**HSSC Pre Board Examination, June 2021**

**Class: 12TH Sec\_\_\_\_\_ Total Marks:20**

**Subject:** **Principles of Accounting-II Time Allowed: 25MIN**

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| --- | --- | --- | --- |
| **5** | **8** | **9** | **6** |

**Student’s Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Version No:**

**NOTE: : Section A is compulsory. All parts of this section to be answered on the separately provided OMR Sheet which should be completed in the first 20 minutes and handed over to the Centre Superintendent. Deleting/overwriting is not allowed. Do not use lead pencil.**

**SECTION – A ( Marks:20)**

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

**(i) In sales the risk and damages attached to goods sold are transferred to:**

 **A. Seller B. Buyer C. Consignor D. Consignee**

**(ii) When goods are sent on consignment, Debit is given to**

 **A. Consignee's Account B. Consignment Account**

 **C. Consignor's Account D. Goods Sent on Consignment Account**

**(iii) The Debit balance of income and expenditure account indicates**

 **A. Excess of income over expenditure**

 **B. Excess of expenditure over income.**

 **C. Excess of receipts over cash payment**

 **D. Excess of cash payments over cash receipt**

**(vi) Under original value method, the amount of depreciation (is)**

 **A. Decreases every year B. Increases every year**

 **C. Both A and B D. Constant every year**

**(v) Legacies are generally:**

 **A. Capitalized B. Treated as Income**

 **C. Treated as expenditure D. Treated as Liabilities.**

**(vi) If original cost of the asset is Rs.10,000/- rate of depreciation is 10%, then value of depreciation under Strait Line method after 3rd year will be:**

 **A. Rs. 1000/- B. Rs. 900/- C. Rs. 700/- D. Rs. 810/-**

**(vii) Loss on the sale of machinery should be written off against**

 **A. Share premium Account B. Sales Account**

 **C. Depreciation Fund Account D. Scrap Account**

**(viii) Shares and Bonds can be issued only at:**

 **A. Face Value. B. Discounted Price C. Premium D. All of them**

**(ix) Shareholders are:**

 **A. Owners B. Directors C . Managers D. Employees**

**(x) In the books of consignor the balance of the consignment stock account would be shown**

 **A. As an asset in the balance sheet**

 **B. As a liability in the balance sheet**

 **C. On the credit side of trading account**

 **D. On the debit side of profit & loss account**

**(xi) It contains the rules and regulations for the internal management of company:**

 **A. Articles of Associations B. Partnership Deed**

 **C. Memorandum of Association D. Prospectus**

**(xii) The value of asset after its useful life is called**

**A. Replacement value B. Resale value C. Residual value D. Market value**

**(xiii) Company policy is to pay 10% Manager Commission on net profit after manager commission. Net profit before Manager Commission is 10,000. What is Manager Commission?**

 **A. 909 B. 1000 C. 1100 D. 900**

**(xiv) The value of shares according to books of accounts of the company:**

 **A. Book value B Par value C. Nominal value D. Sales value**

**(xv) In joint stock Company, true owners are:**

 **A Equity shareholders B. Preference shareholders**

 **C. Debentures holders D All of them**

**(xvi) Consignee Account is the nature of:**

 **A. Real Account B. Assets account C. Personal Account D.Nominal Account**

**(xvii) In consignment all the expenses, either paid by the consignor or by the Consignee are bore by:**

1. **Consignor B. Consignee C. Both Consignor and Consignee D. Bank**

**(xviii) In case of liquidation, which of the following will be paid on priority basis?**

 **A. Equity Shareholders B. Preference shareholders**

 **C. Debentures holders D. All of them at equal priority.**

**(xix) Share capital in the Balance Sheet is shown under:**

 **A. Assets B Liabilities C. Reserves D Income**

**(xx) If cash paid to creditors Rs. 33,075/-, returns outward Rs 225/-, credit purchases Rs. 67,500/-cash purchases Rs. 25,000/-. then the value of closing creditors will be**

 **A. 34,650 B. 34,500 C. 34,200 D . 59200**

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 **Pakistan School, Kingdom of Bahrain**

**HSSC Pre Board Examination, June 2021**

**Class: 12TH Sec\_\_\_\_\_ Total Marks: 80**

**Subject: Principles of Accounting-II** **Time Allowed: 2:35 HRS**

**Student’s Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**NOTE:Section B & C comprises 1-2 pages. Answer all the questions from section B-C** **on a separate sheet. Write your answers neatly and legibly.**

**SECTION – B ( Marks :3 x 10 = 30)**

**Q. 2 Answer any ten parts from this section. The answer should be within 3 to 4 lines.**

1. **Explain the nature of Preliminary expenses**
2. **Why interest is given against debentures and dividend against shares?**
3. **Describe three major differences between Cash Book and Receipt and Payment Accounts**
4. **Why statement of Affairs for opening and closing years are prepared?**
5. **Differentiate between capital funds and revenue funds and how they are treated in final accounts?**
6. **Explain normal loss and abnormal loss with examples.**
7. **Explain “lower of cost or market value” of inventory/stock.**
8. **Explain the concepts of “Depreciation”, “Depletion” and “Amortization” with examples.**
9. **Explain “accounts sales statement”. Why it is prepared?**
10. **Differentiate between “Income and Expenditure Account” and “Income Statement”.**
11. **Differentiate between Straight Line Method and Written down Method with examples.**
12. **Explain “Increased net worth Method” and “Conversion Method”.**

**SECTION “C” (Marks 50)**

**Part - 1**

**Note: Attempt any one question: (1x20=20)**

**Q. 3 The Riaz Sugar Factory of Multan consigned to Mr. Shahid of Lahore 400 bags of sugar at Rs. 25 per bag. They also paid cartage, freight, etc.; Rs. 250. The consignor drew on the consignee as an advance against the consignment at 3 months for Rs. 6,000 which they discounted at their bank at 5%. The consignee sold off the goods and rendered an Accounts Sales showing that the goods realized Rs. 12,000, out of which he deducted his charges amounting to Rs. 80 and his commission at 5%.**

**Required: Make Journal Entries and Necessary Accounts of the above transactions.**

**OR**

**Q. 4 On 21st January, A & Co. consigned to Z & Co; 25 bags of tea at Rs. 500 per bag, paying Rs. 150 for freight. On 15th March A & Co. received an Account Sales, dated 10th March showing that 20 bags sold at Rs. 15000 and the following expense incurred:**

**Octori Duty Rs. 100, Storage and Insurance Rs. 20, delivery charges etc., Rs. 150 commission 3% and Del credere commission 2%. Z & Co. enclosed a bill for 3 months.**

**Required: Make Journal Entries and Necessary Accounts of the above transactions.**

**Part - 2**

**Note: Attempt any three questions: (3x10=30)**

**Q. 5 The following particulars relate “Old Friends’ Club” for the year ended 31st Dec 2005.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Receipts** | **Rs.** | **Payments** | **Rs.** |
| **To balance from last year****To subscriptions:*** **Arrears 50**
* **Current 3,500**
* **In advance 70**

**To Entrance fee****To profit on Refreshments****To Lockers’ Rent:.*** **Arrears 50**
* **Current 180**

**To Sundry Receipts** | **350****3,620** **300** **100** **230** **350** | **By Salaries****By Printing & Stationery****By Rates, Rent & Taxes****By Cash on Deposits****By China, glass, etc****By gas and electric light****By creditors at 1st January paid****By Balance cash in hand** |  **700** **75** **450** **400** **200** **220****1,000****1,905** |

**Total 4,950 4,950**

**Assets on 1st January- Glass, Cultery, etc Rs.300. Furniture and Fixture Rs.1,500. Consumable stores 350.**

**Consumable stores on 31st December were Rs. 275. The following adjustments required: Subscription outstanding Rs.75, Creditors for food Rs.350. Depreciation 7.5% on furniture 15% on glass etc. on opening balance.**

***Required: Prepare Income and expenditure account only.***

**Q. 6 Arslan commenced business on Jan 1, 2015 with a capital of Rs. 10,000. He immediately bought furniture and fixture for Rs. 2,000. On 30th June 2015 he borrowed Rs.5,000 from his wife at 9% p.a. (interest not yet paid) and introduced further capital of his own amounting Rs. 1,500. Arslan drew at the rate of Rs. 300 p.m at the end of each month for house hold expenses. On 31st Dec 2015 his position was as follows:**

**Cash in hand Rs. 2,800; Sundry Debtors Rs. 4,800; Stock Rs. 6,800; Bill Receivable Rs. 1,600 Sundry Creditors Rs. 500 and owing for Rent Rs. 150. Furniture and Fixtures to be depreciated by 10%**

**Required:. Profit or loss made by Arslan during year 2005.**

**Q. 7 A company purchased assets at the book value of Rs. 400,000 and took over the liabilities of Rs. 50,000 from Rahim Bros. It was agreed that the purchase consideration settled at Rs. 380,000 be paid by issuing debentures of Rs. 100 each. What journal entries will be made in all the following three cases; if debentures are issued?**

 **(a) at par**

**(b) at discount of 10%**

**(c) at premium of 10%.**

**It was agreed that any fraction of Debentures be paid in cash**

***Required: Make Journal Entries of the above transactions.***

**Q. 8 A manufacturing firm purchased on 1st Jan, 2014 certain machinery for Rs. 100,000 and spent Rs. 2,000 on its erection. On 1st Jul in the same year additional machinery costing Rs. 50,000 was acquired. On 1st Jan 2016 the machinery purchased on 1st Jan 2014 having become obsolete was auctioned for Rs. 40,000 and on the same date fresh machinery was purchased at a cost of Rs. 25,000.**

**Depreciation was provided for annually on 31st Dec at the rate of 10% p.a on the original cost of the asset. In 2016 however this method was changed and that of writing off 15% on the written down value was adopted.**

**Required: Give Machinery account as it would stand at the end of each year from 2014 to 2018, making your calculations to the nearest rupee.**