

Advanced Financial Accounting
Punjab University B.Com Part 2 Past Papers

2010-2018

QUESTION PAPER 2016

QUESTION NO. 1

Following is the balance sheet of Ghulam Rasool Limited as on 31st December, 2014.

Liabilities	Rs.	Assets	Rs.
Share Capital 2400 shares @ Rs. 100 each	480,000	Machinery	800,000
Profit & Loss Account	120,000	Furniture	100,000
10% debentures	300,000	Stock	240,000
Sundry Creditors	300,000	Sundry Debtors	180,000
Provision for taxation	20,000	Cash at bank	45,600
Bank Overdraft	160,000	Prepaid Insurance	14,400
	13,80,000		13,80,000

Sales Rs. 12,00,000

Gross Profit 20% on cost.

Calculate the following ratios:

- (a) Current Ratio
- (b) Liquid Ratio
- (c) Stock Turnover Ratio
- (d) Debtors Turnover Ratio

QUESTION NO. 2

Superior Builders Ltd. Began to trade on 1st January 2013, company was engaged on only one contract for which price was Rs. 600,000.

Prepare Contract Account and Balance Sheet from the following Trial Balance on 31st December, 2013:

Liabilities	Rs.	Assets	Rs.
Land and Building	97,500	Share capital	145,000
Bank Balance	16,000	Creditors	18,500
		Wages outstanding	6,500
Charge to Contract:		Cash received on contract	112,800
Material	57,500	(75% of work certified)	
Plant	25,000		
Wages	79,000		
Expenses	7,500		
	282,500		282,500

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On 31st December, 2013 materials costing Rs. 3,500 were on site, the cost of work done but uncertified was Rs. 12,500. Of the material charged to contract, material costing Rs. 4,000 were lost in an accident. Depreciation at 10% was charged on plant.

QUESTION NO. 3

The following is the Trial Balance of Sony Limited Company for the year ending December 31st, 2014:

Particulars	Rs.	Rs.
Salaries and wages	136,200	
Carriage outward	23,200	
Interim dividend	48,000	
Share Capital		700,000
Gross profit		353,100
Technical Know how	36,000	
Closing Stock	566,000	
Furniture	140,000	
Profit & Loss Account		148,500
Freehold property	400,000	
Share Premium		80,000
Cash in hand	30,000	
Debtors	230,000	
9 % Debentures		200,000
General Reserve		56,000
Bills Receivable	24,000	
Debentures Interest	9,000	
Creditors		100,800
Bills Payable		24,000
Transfer to general reserves	20,000	

- (1) Sony Company has an authorized capital of Rs. 12,00,000 divided into ordinary shares of Rs. 10 each. The company had issued 70,000 shares which are fully paid.
- (2) Depreciation is to be provided @ 10% on furniture and property.
- (3) Credit sales Rs. 6,900 were left unrecorded.
- (4) Create provision for bad debts @ 3% on debtors.
- (5) The directors proposed the following:
 - (a) 4% proposed dividend.
 - (b) Provision for taxation Rs. 60,000

You are required to prepare trading and profit & loss A/c for the year ended 31st December, 2014 and balance sheet as on that data.

QUESTION NO. 4

A firm of building contractors began to trade on 1st April, 2013. The following was the expenditure on the contract for Rs. 300,000:
Material issued to contract Rs. 51,000; Plant used for contract Rs. 15,000; Wages incurred Rs. 81,000; Other expenses incurred Rs. 5,000.
Cash received on account by 31st March, 2014 amounting to Rs. 128,000, begin 80% of the work certified. Of the plant and material charged to the contract, plant which cost Rs. 3,000 and materials which cost Rs. 2,500 were lost. On 31st March, 2014 plant which cost Rs. 2,000 was returned to stores, the cost of work done but uncertified was Rs. 1,000 and materials costing Rs. 2,300 were in hand on site. Charge 15% depreciation of plant and take to the profit and loss account 2/3 of the profit received. Prepare a contract account, contractee's account and balance sheet from the above particulars.

QUESTION NO. 5

Explain different types of debentures.

QUESTION NO.6

The trading and profit and loss account of Pak Electronic for the year ending March 31, 2013 is as under:

Particulars	Rs.	Particulars	Rs.
Purchases:		Sales:	
Transistors (x)	160,000	Transistors (x)	175,000
Tape Recorders (Y)	125,000	Tape Recorders (Y)	140,000
Repair (Z)	80,000	Repair (Z)	35,000
Wages	48,000	Stock on 31st Match 2013:	
Rent	10,800	Transistors (x)	60,100
Sundry expenses	11,000	Tape Recorders (Y)	20,300
Net Profit	40,700	Repair (Z)	44,600
	475,000		475,000

Prepare Departmental Account for each of the three departments X, Y and Z mentioned above after taking into consideration the following:

- (a) Transistors and Tape Recorder are sold at the show room. Servicing and repair are carried out at workshop.
- (b) Wages comprises: Show room $\frac{3}{4}$, Workshop $\frac{1}{4}$. The wages of show room be divided between department X and Y in the ratio of 1 : 2.
- (c) The workshop rent is Rs. 500 p.m. The rent of the show room is to be divided equally between dept. X and Y.
- (d) Sundry expenses are to be allocated on the basis of turnover of each department.

QUESTION NO.7

What do you mean by liquidation of company? Distribute the difference between liquidation and insolvency?

QUESTION NO.8

Write short answers on the following:

- (1) Define Right Shares.
- (2) Define Mortgage Debentures.
- (3) Define Banker Ratio.
- (4) Define Amalgamation.
- (5) Define Capital Profit.
- (6) Define Interim Dividend.
- (7) Define Creditors.
- (8) Define Goodwill.
- (9) Define Delcredre.
- (10) Define Work Certified.