

**Question No.1**

Salman Construction company began to trade on 1<sup>st</sup> January 2018, the company was engaged only one contract for which price was Rs. 800,000. Prepare Contract Account and Balance Sheet from the following Trial Balance on 31<sup>st</sup> December, 2018:

**Trail Balance**

PARTICULARS	Rs	Particulars	Rs.
Land & Building	280000	Share Capital	300000
Bank Balance	32000	Creditors	27000
<b>Charged to Contract</b>		Outstanding Wages	13000
Material	115000	Cash received on contract (80% of work certified)	320000
Plant	50000		
Wages	158000		
Expenses	15000		
	<b>565000</b>		<b>660000</b>

On 31<sup>st</sup> December, 2018 material costing Rs. 12,000 were on hand, the cost of work done but uncertified were Rs. 20,000 of the material charged to contract, material costing Rs. 80000 was lost in an accident. Depreciation is charged @ 10% on plant.

**Question No.2**

X Limited purchased a machine on hire purchase from Y Ltd on 1<sup>st</sup> January 2018. The following are the particulars of the hire purchase agreement:

1. Cash Price of machine Rs. 60,000
2. Rate of Interest 10% p.a
3. No Cash Down Payment
4. X Limited pay Installment of Rs. 20,000 plus interest @ 10%.
5. Charge depreciation @ 20% on diminishing balance method.

Prepare Y Ltd. Account and Machinery Account for three years.

**Question No.3**

From the following Trading and Profit and Loss Account relate to Maira Hassan Chemicals: you are required to calculate:

- (a) Gross Profit Ratio
- (b) Operating Profit Ratio
- (c) Operating Ratio
- (d) Net Profit Ratio
- (e) Stock Turnover Ratio

Particulars	Rs.	Particulars	Rs.
Opening Stock	10,000	Sales	280,000
Purchases	120,000	Closing Stock	20,000
Wages	20,000		
Gross Profit	150,000		
	<b>300,000</b>		<b>300,000</b>
Salaries	15,000	Gross Profit	150,000
Rent	25,000	Interest on Investment	2,000
Insurance	10,000		
Advertisement	14,000		
Interest on Debentures	8,000		
Net Profit	80,000		
	<b>152,000</b>		<b>152,000</b>

**Question No.4**

From the following Trial Balance of Mehran Public Limited Company, prepare Company's Final Account.

Particulars	Rs	Particulars	Rs
Stock	15,140	<b>Share Capital:</b>	
Purchaser	32,240	10,000 shares of Rs.10 each	100,000
Rent	22,000	Sales	135,000
Wages & Salaries	8,200	General Reserve	10,000
Investment	48,000	Creditors	4,000
Plant & Machinery	16,000	Bills Payable	5,000
Debtors	28,000	Income from investment	1,400
Bills Receivable	2,000	Profit & Loss Account	13,500
Cash	9,560	Purchases Returns	2,240
Land & Building	90,000		
	<b>271,140</b>		<b>271,140</b>

**ADJUSTMENTS:**

1. Closing stock Rs.20,000
2. Taxation provision required for the year Rs. 6,000
3. Transfer Rs.2,000 to general reserve.
4. Plant & Machinery is to be depreciated @ 5% P.a
5. Propose dividend @ 5%
6. Create provision for bad debts @ 5%

**Question No.5**

M/S Naeem Motors sent 100 cars to Haseeb on consignment. The cost of each car was Rs. 12,000 but was invoiced to Haseeb at cost plus 25%. The expenses of M/S Naeem Motors were:

Freight Rs. 7,000; Insurance Rs. 3,000

During transit one car was destroyed and the insurance company admitted Rs. 9,000 towards that claim. Haseeb sold 7 cars at Rs. 15,000 each and paid for storage and insurance Rs. 3,400. Haseeb then accepted bill for Rs. 90,000 at 3 months drawn by M/S Naeem Motors which they discounted immediately with their banker at 6% p.a. It was agreed that Haseeb is to get 5% commission.

Give consignment account in the books of M/S Naeem Motors.

**Question No.6**

The following is the Balance Sheet of XYZ Limited.

LIABILITIES	Rs.	ASSETS	Rs.
Share Capital:		Sundry Assets	600,000
25,000 shares @ Rs.10 each	250,000		
General Reserve	110,000		
Profit & Loss Account	70,000		
Long Term Debt	170,000		
	<b>600,000</b>		<b>600,000</b>

The company decided to pay long term debt of Rs. 10 each at Rs. 12.5 each. It further issues bonus shares @ 40% of issued capital for this purpose utilize the company Profit and Loss Account and balance out of General Reserve.

**Required:** Pass Journal Entries and prepare amended balance sheet.

**Question No.7**

Explain the features of Joint Stock Company?

**Question No.8**

Explain Different types of branches?

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