

Question Paper 2013

Time : 3 Hours

Marks: 100

Note: Attempt any five questions. All questions carry equal marks.

Question No. 1

For their mutual Accommodation Asim draws a bill for Rs. 50, 000 on Wasif for three months. Wasif accepts it and returned it to Asim, The proceeds Of the bill are to be shared by Asim and Wasif in the ratio of $\frac{3}{5}$ and $\frac{2}{5}$ respectively. The bill is got discounted by Asim for Rs, 49, 750 and he remits $\frac{2}{5}$ of the proceeds to Wasif. Before the due date Wasif draws another bill for Rs. 100, 000 on Asim at three months, which help of these proceeds the first bill is met by Wasif and remaining proceeds are shared Asim and Wasif in the ratio of $\frac{2}{5}$ and $\frac{3}{5}$ respectively. The bill is discounted for Rs. 99, 500. Before the due date of the second bill, Asim becomes insolvent and his estate pays only 25% of the debts.

Question No. 2

From the following particulars prepare a bank reconciliation statement as on 31st March 2011.

- (1) Bank balance as on 31st March 2011 as per pass book Rs. 15, 200
- (2) Bank charges debited Rs..130 in the pass book
- (3) Cheques issued but not presented to bank for payment Rs.2, 000
- (4) Cheques deposited to bank but not credited in the pass book.Rs.7, 000
- (5) A cheque entered as a deposit in a cash book instead of payment Rs.220
- (6) Rs. 364 paid into Bank had been entered twice in the cash book.
- (7) The receipt column of the Cash Book has been over cast by Rs, 1, 000
- (8) A cheque drawn for Rs, 9 had been incorrectly entered in the cash book as Rs.99.

Question No. 3

Pass necessary journal entries to rectify the following errors:

- (a) An item of Rs. 53 has been debited to a personal account as Rs 35

- (b) A sum of Rs 100 written off as depreciation on furniture was not debited to depreciation account.
- (c) The total of purchase book was added Rs. 60 short.
- (d) A machine bought for Rs. 5,000 has been debited to purchase account.
- (e) Sale of old machine for Rs. 500 to Mehwish has been entered in the Sales Book.
- (f) Total of Return Outward book was Rs. 100 short.
- (g) A sale of Rs.359 to R has been entered correctly in the Sales Book but credited to S account as Rs. 395
- (h) Repairs Rs. 680 to Motor Truck has been debited to Motor Vehicle account as Rs 860
- (i) Cash received from John Rs. 300 has been debited to John's a/c.
- (j) Furniture purchased for Rs 3, 000 was not entered in the books.

Question No. 4

The following are the balances extracted from the books of A. Rashid as at 31st December 2008.

Accounts Title	Rs	Accounts Title	Rs
Capital account	90,000	Bad debts reserve	3,240
Drawings	7,600	Taxes & insurance	1,300
Purchases	89,470	Discount account credit	190
Purchases return	4,240	Bills receivable	1,240
Sales	1,49,840	Sundry debtors	62,970
Sales return	2,820	Sundry creditors	16,980
Stock(1-1-2008)	11,460	Cash & bank	12400
Salaries & wages	6,280	Cash in hand	2,210
Buildings	25,000	Office furniture	3,500
Freight & cleaning Charges	16,940	Travelers' salaries & Commission	9,870
Carriage inwards	2,310	Addition to building	7,000
Office expense	1,340	Rent received	2,100
Printing & stationary	660		
Postage & telegram	820		
Bad debts	1,400		

You are required to prepare trading and profit and loss account for the year ended 31st December

2008 and a balance sheet as on that date after making the following adjustments.

- (1) Depreciate building by 2-1/2% and office furniture by 5%
- (2) Reserve for bad debts to be made up to Rs. 4,000
- (3) Salaries outstanding for December Rs. 570
- (4) Rent Receivable Rs. 200
- (5) 5% interest to be charged on capital.
- (6) The value of Stock on 31st December 2008 was Rs. 14, 290
- (7) Unexpired insurance amounted Rs. 240

Question No. 5

Jamil does not maintain proper books of accounts. From the following particulars prepare trading and profit and loss accounts for the year ended 31st December, 2010 and the balance sheet on that date.

Analysis of the other transactions is as follows:

	31.12.2011	31.12.2012
Debtors	90,000	2,500
Stock	4,900	6,600
Furniture	500	750
Creditors	3,000	2,250

Analysis of the other transactions is as follows:

	Rs
Cash collected from debtors	304,000
Cash paid to creditors	22,000
Salaries	6,000
Rent	750
Office expense	900
Drawings	1,500
Additional capital introduced	1,000
Cash sales	750
Cash purchases	2,500
Discount allowed	150
Discount inwards	350
Returns inwards	500
Returns outwards	400
Bad debts	100

He has Rs. 2, 500 as cash balance at beginning of the year

Question No. 6

Define work sheet. How is work sheet used?

Question No. 7

Sarmad and Bilal were partners in a firm sharing profits equally. Their business position on 30th June 2009 was as follows:

Assets	Rs	Liabilities	Rs
Cash in hand	300	Sarmad's capital	4,200
Stock	7,200	Bilal's capital	3,200
Sundry debtors	12,400	Bank overdraft	3,000
Furniture	1,200	Sundry creditors	12,000
Investments	1,300		

It is agreed to take Shahid into partnership and to make the following adjustments:

- (1) Bad debts to be/written off Rs. 3,200
- (2) Value of furniture to be reduced to Rs.800
- (3) Depreciate stock @ 10%
- (4) Write off 20% on investments.

Shahid introduced Rs. 2000 as capital for his 1/3 share. Other partner's capital should be adjusted according to new partner's capital.

Prepare necessary Journal entries regarding above arrangements. Also prepare important Ledger Accounts.

Question No. 8

Enumerate the methods of calculating depreciation. Discuss briefly the merits and demerits of each method.