

# Principles of Accounting

## Federal Board ICOM I 2022 Annual

Q 1: MCQ's not available

**Time allowed: 2:35 Hours**

**Total Marks Sections B and C: 80**

**NOTE:** Sections 'B' and 'C' comprise pages 1-2. Answer any ten parts from Section 'B', any one question from Section 'C (Part-I)' and three questions from Section 'C (Part-II)' on the separately provided answer book. 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.**

- (i) What are the stages of Accounting Cycle?
- (ii) Explain Suspense Account.
- (iii) State Money measurement concept.
- (iv) Differentiate between Current Account and Fixed Account.
- (v) What are 'bad debts'? Pass an adjusting entry for 'bad debts'.
- (vi) Give three examples of each: (a) Capital Expenditure (b) Revenue Expenditure
- (vii) What are the three basic elements of accounting equation?
- (viii) Write down the names of four subsidiary books.
- (ix) Explain the term Credit Note.
- (x) What is meant by Bill of Exchange?
- (xi) Explain Errors of Omission.
- (xii) What are revenue receipts? Give two examples.

### Section — C Part I Marks 50

**Note: Attempt any one question.**

**Q 3:** The trial balance of Imtiaz and Co as on 31-12-2021 is given below. You are required to prepare Trading and Profit & Loss account for the year ended 31-12-2021 and the Balance Sheet as at that date.

Particulars	Debit Rs.	Credit Rs.
Opening Stock	60,000	
Sundry Debtors & Creditors	102,000	90,000
Furniture	20,000	

Plant	100,000	
Goodwill	60,000	
Purchases	340,000	
Carriage Inward	2600	
Carriage Outward	1800	
Insurance paid	1400	
Return inward and return outward	4000	2400
Salaries	44,000	
Cash in hand	20,000	
Capital		140,000
Sales		462,000
Commission received		1400
	<b>695,800</b>	<b>695,800</b>

**Adjustment:**

- (i) Closing stock valued at Rs. 100,000
- (ii) Outstanding salaries Rs. 6000
- (iii) Insurance included a sum of Rs. 350 relating to next year.

**Q 4:** On March 1, 2018 Noorani Stores Cash book showed debit balances of cash Rs. 1550 and bank Rs 13,575. During the month of March following business was transacted.

2018 March 1 Purchased office Type-writer for cash Rs.750; cash sales Rs.1,315.

3 Deposited cash Rs.500 into bank.

4 Received from A. Hassan a cheque for Rs.2,550 in part payment of his account.

6 Paid by cheque for merchandise purchased worth Rs.1,005.

8 Deposited into bank the cheque received from A.Hassan

10 Received from Hayat Khan a cheque for Rs.775 in full settlement of his account and allowed him discount Rs.15.

11 Sold goods on account to Almas & Co. Rs. 5000.

12 Sold goods to Divan Bros. for Rs.1,500. who paid by cheque which was deposited into the bank.

16 Paid Salman Rs.915 by cheque, discount received Rs.5.

27 Paid to Gulzar Ahmad by cheque Rs.650.

28 Paid salaries by cheque Rs.1000.

29 Paid transportation charges by cheque Rs 750.

30 Purchased merchandise on account from Azan & Co. for Rs. 4750.

31 Deposited into bank the cheque of Hayat Khan.

31 Draw from bank for office use Rs 250.

**Required: You are required to enter the above transactions in three columns cash book and balance it.**

**Part II Marks (10 x 3 = 30)**

**Note: Attempt any THREE questions.**

**Q 5:** Arif sold goods to Hanif for Rs 20,000 on credit on 1<sup>st</sup> March 2018. Arif drew and Hanif accepted a bill for Rs.20,000 at three months on the same date Haseeb was creditor of Arif for Rs.20,000. Ant settled his account by endorsing the bill to Haseeb on March 4, 2018. On maturity, Hanif honoured his acceptance.

**Q 6:** Prepare Bank Reconciliation Statement with the help of following information as on 31<sup>st</sup> December 2018.

- a) Balance as per cash book Rs. 30,000
- b) Profit on account credited by the bank Rs. 1500
- c) Bank paid Rs. 5000 as rent on the behalf of account holder.
- d) Bank collected dividend on shares Rs. 2500
- e) Cheques paid into bank but not collected by bank Rs. 4000
- f) Cheques issued but not presented to the bank for payment Rs. 3000

**Q 7:** July 1, 2018: Umer started business with a capital of Rs.74,000 of which Rs.34000 was paid into bank.

July 2, 2018: Purchased goods for cash Rs.14000 and Rs.14000 on credit from Amjad.

July 10, 2018: Sold goods to Aslam for cash Rs.4000 and to Alam for Rs.9000.

July 14, 2018: Cheque given to Amjad Rs.13,800 and received discount Rs. 200

July 17, 2018: Amount withdrawn from bank for personal use Rs 1,500 end for business use Rs.3,000.

July 19, 2018: Received a cheque form Alam Rs.8,800 in full settlement of account.

July 31, 2018: Paid rent Rs. 1,200, salaries Rs. 3,400 by cheque.

**Required:**a) Record the transactions in Journal. b) Post the transactions in ledger. c) Prepare Trial Balance.

**Q 8:** Give journal entries to rectify the following:

- 1) Sales returns book was under-cast by Rs.2000.
- 2) Rs.400 paid for stationery were credited to stationery account.
- 3) Wages paid for erection of machinery debited to wages account Rs.1520.
- 4) Cash received from Qasim had been debited in the cash book Rs.780, but not credited to Qasim Account.
- 5) Sales book was overcast by Rs.1000.

*The End*