



Roll No.

Answer Sheet No.

Sig. of Candidate. _____

Sig. of Invigilator. _____

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PRINCIPLES OF ACCOUNTING HSSC-I

SECTION – A (Marks 20)

Time allowed: 25 Minutes

NOTE: Section–A is compulsory and comprises pages 1-2. All parts of this section are to be answered on the question paper itself. It should be completed in the first 25 minutes and handed over to the Centre Superintendent. Deleting/overwriting is not allowed. Do not use lead pencil.

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

- (i) Book keeping is mainly concerned with _____.
- A. Recording of business transactions
B. Classifying of business transactions
C. Interpreting of business transactions in monetary terms
D. None of these
- (ii) A trader whose assets exceed from his liabilities is called _____.
- A. Debtor
B. Creditor
C. Solvent
D. Insolvent
- (iii) Purchased goods on credit and for cash will affect _____.
- A. Cash and Goods
B. Cash and Creditors
C. Cash, Creditors and Owner's equity
D. Cash, Goods and Creditors
- (iv) Discount received from Ali should be debited to _____.
- A. Discount received Account
B. Cash Account
C. Ali Account
D. None of these
- (v) Credit signifies _____.
- A. Increase in liability
B. Increase in revenue
C. Increase in capital
D. All of these
- (vi) A ledger is a book in which _____ are opened.
- A. Only personal and cash accounts
B. Only real accounts
C. Only nominal accounts
D. All real, nominal, personal accounts
- (vii) When a bill is endorsed the endorser has _____.
- A. Current liability
B. Fixed liability
C. Contingent liability
D. None of these
- (viii) When a bill is dishonored, the holder of the bill goes to an official called _____.
- A. Inspector
B. Notary public
C. Drawer
D. Manager
- (ix) The cash book is a _____.
- A. Subsidiary Journal
B. Ledger Account
C. Subsidiary Journal and Ledger
D. Trial Balance
- (x) Assets which have no market value, are called _____.
- A. Wasting Assets
B. Fictitious Assets
C. Intangible Assets
D. Tangible Assets



PRINCIPLES OF ACCOUNTING HSSC-I

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Time allowed: 2:35 Hours

Total Marks Sections B and C: 80

NOTE: Sections B and C comprise pages 1-2 and questions therein are to be answered on the separately provided answer book. Answer any ten parts from Section 'B', any one question from Section 'C (Part-I)' and three questions from Section 'C (Part-II)'. 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. (10 x 3 = 30)

- (i) Define the term Accounting.
- (ii) Define Separate Entity Concept.
- (iii) Differentiate between Double entry system and Single entry system.
- (iv) What is meant by Narration?
- (v) What do you mean by endorsement of bill?
- (vi) What is a Bank Reconciliation Statement?
- (vii) Define Balance sheet.
- (viii) What do you mean by Unearned Revenue?
- (ix) Define Deferred Revenue Expenditure.
- (x) What is meant by Compensating Errors?
- (xi) Define Contingent liabilities.
- (xii) What is meant by Bad debts recovered?

SECTION – C (Marks 50)

(PART – I)

Note: Attempt any ONE question. (1 x 20 = 20)

Q. 3 Following is the Trial balance of Mukhtar Trading Co. as on 31st December, 2005. You are required to prepare the Trading and Profit and Loss account of the business for the year ending 31st December, 2005 and a balance sheet as on that date:

Particulars	(Rs)	(Rs)
Opening stock	10,000	
Purchases and Sales	40,000	1,00,000
Sundry Debtors and Creditors	30,000	8,125
Plant and Machinery	35,000	
Freehold Premises	24,000	
Salaries	5,000	
Wages	6,575	
Carriage Outward	375	
Printing and Stationery	400	
Bad Debts	500	
Provision for Bad Debts		225
Trade Expenses	750	
Cash in hand	5,250	
Capital		50,000
Insurance	500	
	1,58,350	1,58,350

Adjustments:

- a. Wages payable Rs. 500.
- b. Bad debts Provision to be adjusted to 2% on Debtors.
- c. Allow interest on capital at 5%
- d. Closing stock valued at Rs. 15000

Q. 4 From the following particulars, write up a Treble Column Cash book of Mr. Naseem:

1 st May 2005	Cash in hand Rs. 20,000
1 st "	Cash at Bank Rs. 15,000
3 rd "	Goods sold for cash Rs. 4,500
5 th "	Goods bought for cash Rs. 9,000
8 th "	Received a cheque from M. Farooq for Rs. 9,650 in full settlement of his dues Rs. 9,800 and deposited into the bank.
11 th "	Paid to Zulfiqar cash Rs. 5,000 and a cheque for Rs. 4,700 in full settlement of his dues Rs. 10,000
15 th "	Cash received from M. Kaleem Rs. 4,900 in full settlement of his dues Rs. 5,000
17 th "	Paid cash to Adnan Rs. 1,950 in full clearance of his dues Rs. 2,000.
20 th "	Received a cheque from Tufail Rs. 3,900 in full settlement of his dues Rs. 4,000
25 th "	Bank credited interest Rs. 500
31 st "	Bank debited bank charges Rs. 700

(PART – II)

Note: Attempt any **THREE** questions.

(3 x 10 = 30)

Q. 5 Zahid sold goods to Sharif worth Rs. 10,000 on 1st March 2005. Sharif accepted a bill for three months drawn on him by Zahid on 1st March, 2005. On 31st May, Sharif requested that the bill be renewed for a further period of 2 months. Zahid agreed provided 10% interest p.a, would be charged. Zahid then drew a new bill for the amount of original bill plus interest at 10% p.a for 2 months. Sharif accepted the new bill. On the due date the new bill was honoured. Give Journal entries in the books of Zahid and Sharif.

Q. 6 From the following particulars, prepare a Bank Reconciliation statement of Mr. Khubaib as on 31st December, 2005:

- Balance as per pass book Rs. 5,434
- Cheque issued but not presented Rs. 1,060.
- Cheque deposited but not credited by bank Rs. 690
- Interest charged by bank Rs. 36
- Interest on government securities Rs. 70

Q. 7 Pass entries for the rectification of errors given below:

- Legal expenses Rs. 3,000 paid to lawyer have been wrongly debited to his personal account.
- Wages paid Rs. 2,000 wrongly debited to custom duty.
- Trade expenses of Rs. 180 posted in the ledger as Rs. 810.
- A sale of Rs 3,000 to "A" was wrongly debited to the account of "B".
- Sales book was over cast by Rs. 3,000.

Q. 8 Record the following transactions in Journal and post them in ledgers and prepare a trial balance:

1 st May 2005	Business started with cash Rs. 1,00,000
4 th "	Goods purchased for cash from Anwar Rs. 30,000
7 th "	Sold goods to Rahim Bros Rs. 10,000
14 th "	Paid salaries Rs. 5,000
20 th "	Commission received Rs. 450
25 th "	Cash received from Rahim Bros. in full settlement Rs. 9,900