



UNIVERSITY OF THE PUNJAB

PART – II A/2015
Examination:- B. Com.

Roll No.

Subject: Advance Financial Accounting
PAPER: BC-401

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

Q1: Khush Bakht Ltd issued 6,000 12% Debentures of Rs.100 each at 105 on 1st January 2014. The debentures holder had the option of converting within one year debentures into ordinary shares of Rs.100 each at Rs.125.

At the end of 1st year the interest on debentures was outstanding. Holders of 300 debentures decided to take advantage of the option.

Required: Give journal entries and prepare balance sheet.

Q 2: Following is the balance sheet of XYZ Limited as on 31st December, 2014.

Liabilities	Rs.	Assets	Rs.
Share Capital		Machinery	400,000
2,400 shares @Rs.100 each	240,000	Furniture	50,000
Profit & Loss Account	60,000	Stock	120,000
10% Debentures	150,000	Sundry Debtors	90,000
Sundry Creditors	150,000	Cash at Bank	22,800
Provision for taxation	10,000	Prepaid Insurance	7,200
Bank Overdraft	80,000		
	690,000		690,000

Sales Rs.600,000.

Gross Profit 20% on cost.

Calculate the following ratios:

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

Q 3: A Head Office in Kohat has a branch in Lahore to which goods are invoiced by Head Office at Cost Price plus 25%. From the following particulars show how the Branch Account will appear in the Head Office Books.

	Rs.	Rs.
Stock on 1 st January 2014 (Invoice Price)		12,500
Branch Debtors on 1 st January 2014		12,000
Goods sent to branch (Invoice Price)		40,000
Remittance to Kohat:		
Cash Sales	16,000	
Cash received from debtors	<u>29,500</u>	45,500
Cash paid by branch debtors direct to head office		1,500
Goods returned to Head Office		2,400
Cheque received from Kohat:		
Wages & Salaries	11,000	
Rent & Rates	3,000	
Insurance upto 31 st March 2015	<u>500</u>	14,500
Stock on 31 st December 2014 (Invoice Price)		15,000
Debtors on 31 st December 2014		22,500

Q 4: A firm of building contractors began to trade on 1st April, 2013. The following was the expenditure on the contract for Rs.300000:

Material issued to contract Rs.51000; Plant used for contract Rs. 15000; Wages incurred Rs. 81000; Other Expenses incurred Rs. 5000.

Cash received on account by 31st March, 2014 amounting to Rs. 128000, being 80% of the work certified. Of the plant and material charged to the contract, plant which cost Rs.3000 and materials which cost Rs.2500 were lost. On 31st March, 2014 plant which cost Rs.2000 was returned to stores, the cost of work done but uncertified was Rs.1000 and materials costing Rs. 2300 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 a balance sheet from the above particulars.

PTO

Q 5: On 1st January 2013 Mujahid & Company purchased machinery on hire purchase. The terms of the contract were as follows:

- a) Cash price of the machine was Rs.40,000
- b) Rs.16,000 were to be paid on the signing of the agreement.
- c) The balance was to be paid in annual installment of Rs.8,000 plus interest.
- d) Interest chargeable on the outstanding balance was 12% per annum. Depreciation at 10% per annum is to be written off on diminishing balance method.

Required:

- (a) Prepare Machinery Account and Hire Vendor Account.
- (b) Show how Machinery Account at its written down value in the balance sheet of the purchaser as at 31st December 2014.

Q 6: The following is the Trial Balance of Star Limited Company for the year ending December 31, 2014.

	Rs.	Rs.
Salaries and Wages	68,100	
Carriage Outward	11,600	
Interim Dividend	24,000	
Share Capital		350,000
Gross Profit		176,550
Technical Know How	18,000	
Closing Stock	283,000	
Furniture	70,000	
Profit & Loss Account		74,250
Freehold Property	200,000	
Share Premium		40,000
Cash in hand	15,000	
Debtors	115,000	
9% Debentures		100,000
General Reserves		28,000
Bills Receivable	12,000	
Debentures Interest	4,500	
Creditors		50,400
Bills Payable		12,000
Transfer to General Reserves	10,000	
	831,200	831,200

- 1) Star Company has an authorized capital of Rs.600,000 divided into ordinary shares of Rs.10 each. The company had issued 35,000 shares which are fully paid.
- 2) Depreciation is to be provided @ 10% on furniture and property.
- 3) Credit sales Rs.3,450 were left unrecorded.
- 4) Create provision for bad debts @4% on debtors.
- 5) The directors proposed the following:
 - a. 5% proposed dividend.
 - b. Provision for taxation Rs.30,000.

Required: Prepare Trading and Profit & Loss Account for the year ended December 31, 2014 and a Balance Sheet as on that date.

Q 7: What are the different modes of winding up of company?

Q 8: What is amalgamation? Why companies do amalgamation?



UNIVERSITY OF THE PUNJAB

PART - II A/2015
Examination:- B. Com.

Roll No.

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

Subject: Auditing
PAPER: BC-402

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

- Q.NO 1 Explain different types of Accounting Errors. How would you discover them?
- Q.NO 2 Define Interim Audit. Discuss its merits and demerits.
- Q.NO 3 How would you investigate the accounts of a company on behalf of a Bank considering granting loan?
- Q.NO 4 How would you vouch the following:
a) Cash Purchase
b) Payment of Salaries
c) Credit Sales
- Q.NO 5 What are the different points which require auditor's attention while examining the accounts of Bank?
- Q.NO 6 Define Prospectus Reports? What work is performed by the auditor in this regard? Also draft the specimen of a Prospectus Report.
- Q.NO 7 What is liability for Negligence and Criminal of an Auditor? Prove your answer with case reference.
- Q.NO 8 Define "Internal Check"? What steps would you suggest for a trading concern



UNIVERSITY OF THE PUNJAB

PART – II A/2015
Examination:- B. Com.

Roll No.

Subject: Business Communication & Report Writing
PAPER: BC-403

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

Note: Attempt ALL questions. Marks are shown against each question.

Q1 Give brief answers to the following questions: (20)

- I. Define external communication.
- II. What is meant by consideration?
- III. Define full block form of writing business letters.
- IV. What are optional parts of a business letter?
- V. What is the importance of buffer?
- VI. What is the difference between placing orders and acknowledging orders?
- VII. What are claim letters?
- VIII. Why is a collection letter written?
- IX. What is AIDA Plan?
- X. What is the importance of visual aids in presentation skill?

Q.2. What are 7 C'S? Give a detailed description of Principles of business communication (5, 15)

OR

What are business messages, elaborate the process of writing effective business messages?

Q. 3. Define inquiry letter, discuss in detail the qualities of an inquiry letter. (5,15)

OR

Write an application in response to an advertisement for the post of accounts officer in a bank.

Give your bio data in full. (10, 10)

Q. 4. Draft a report on strike of workers in a garments factory; give your suggestions to control the situation. (20)

OR

Write short note on any FIVE of the following market terms:

- i. Arrival
- ii. Bear coverage
- iii. Glut
- iv. Lame duck of the market
- v. Flat
- vi. Haggling
- vii. Boom
- viii. Tendency

Q. 5. Define oral presentation; explain the types of oral presentation. (5,15)

OR

Define listening; what are the different purposes of listening? Explain!

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PART – II A/2015
Examination:- B. Com.

Roll No.

Subject: Business Law
PAPER: BC-404

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

1. Define the term acceptance. What are the essentials of a valid acceptance? How it is communicated.
2. Discuss the Provisions of law relating to minor's agreements.
3. What are the various ways in which a contract may be discharged?
4. Explain the rights of a surety against
 - a. The Creditor
 - b. The Principal debtor
 - c. The co-sureties
5. Who is unpaid seller? Explain the rights of unpaid seller against goods and buyer.
6. Define and distinguish between cheque and Promissory Note.
7. Discuss the duties and liabilities of Railway administration as a carrier.
8. Define Trade union. How it is registered.

UNIVERSITY OF THE PUNJAB



PART – II A/2015
Examination:- B. Com.

Roll No.

Subject: Business Taxation
PAPER: BC-405

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions including question number 8, which is compulsory. All the questions carry equal marks.

- Q.1 Define and explain the following terms with reference to Income Tax Ordinance 2001.
a) Accumulated Profit b) Pakistan Source Income c) Dividend d) Principal Officer
- Q.2 Discuss the legal provisions regarding the exemption of the following under the second schedule of the Income Tax Ordinance 2001.
a) Agricultural Income
b) Pension
c) Profit on Debt
- Q.3 What is Provident Fund? Discuss the treatment of various types of Provident Fund for inclusion in total income and exemption from income tax.
- Q.4 What are the various types of losses? How can these losses be set off and carry forward.
- Q.5 "Federal Board of Revenue is the highest executive authority in the administration of Income Tax Law" Discuss in detail.
- Q.6 Define and explain the following terms with reference to Sales Tax Act 1990:-
a) Tax Invoice b) Input Tax c) Supply d) Tax Fraction
- Q.7 From the following data of Mr. Abdul Jabbar, a registered manufacturer of goods, calculating his liability of sales tax for August 2014:
- | | |
|------------------------------------------------------------------------------------------|--------------|
| 01-Taxable turnover to registered person | Rs.25,00,000 |
| 02- Taxable turnover to non-registered person | Rs.2,00,000 |
| 03-Taxable supplies to consumer on installment basis
(Open market price Rs. 2,30,000) | Rs.2,75,000 |
| 04-Sales to retailer | Rs.2,50,000 |
| 05-Taxable supplies to associated person
(Open market price Rs. 1,20,000) | Rs.1,00,000 |
| 06- Exempt Sale | Rs.3,40,000 |
| 07- Supplies to DTRE registered person | Rs.3,00,000 |
| 08- Zero rated supplies | Rs.1.80,000 |
| 09- Taxable supplies @20% discount
(Discount on such supplies is a normal practice) | Rs.1,50,000 |
| 10- Taxable purchases from registered person | Rs.5,00,000 |
| 11- Taxable purchases from non-registered person | Rs.2,80,000 |
| 12- Taxable purchases from wholesaler | Rs.1,75,000 |
| 13- Purchase raw material
(Used Taxable and exempt supplies) | Rs.4,00,000 |
| 14- Carry forward of input tax from previous month | Rs.30,000 |
| 15- Sales tax paid on electricity bills | Rs.70,000 |
| 16- Sales tax paid on sui gas bills | Rs.50,000 |

Note: National Tax Number is printed on utility bills.

(P.T.O.)

Q.8 The following information is available in respect of Prof. Dr. Asif Habib senior citizen (working as full time teacher in a recognized nonprofit educational institution) for the Tax Year ended 30th June, 2014.

01-Basic salary	Rs.3,00,000
02-Cost of living allowance	Rs.1,00,000
03-House rent allowance	Rs.1,50,000
04-Conveyance allowance	Rs.40,000
05-Senior Post allowance	Rs.30,000
06-Leave fare assistance	Rs.10,000
07-Property Income (Net)	Rs.1,20,000
08-Income from business (UK) (Tax paid in UK 500)	Rs.20,000
09-Gain on disposal of shares of private company (Disposed of within 12 months)	Rs.50,000
10-Profit on sale of inherited house (holding period more than 2 years)	Rs.1,50,000
11-Donation to Recognized educational institution	Rs.80,000
12-Worker Welfare Fund	Rs.30,000

Required: Compute taxable income and tax payable

S. No.	Taxable Income	Rate of Tax
1.	Rs. 7,50,000 to Rs. 15,00,000	Rs. 17,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Rs. 14,00,000 to Rs. 15,00,000	Rs. 82,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Rs. 15,00,000 to Rs. 18,00,000	Rs. 95,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

PART – II A/2015
Examination:- B. Com.

Roll No.

Subject: Cost Accounting
PAPER: BC-406

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

Q.1 Records of Badar Cold refrigerator company show the following information for the three months ended March 31, 2014.

Materials purchased	Rs. 1,946,700
Inventories, January 1, 2014	
Finished goods (100 refrigerators)	
Materials	Rs. 43,000
Direct labour	Rs. 268,000
Factory overhead	Rs. 2,125,800
Marketing expenses	Rs. 764,000
General and administrative expenses	Rs. 516,000
Sales (12,400 refrigerators)	Rs. 461,000
Inventories, March 31, 2014	Rs. 6,634,000
No unfinished work on hand	
Finished goods (200 refrigerators), costed at Rs.395 each	
Materials	Rs. 167,000

Required:

1. An income statement for the period.
2. The number of units manufactured.
3. The unit cost of refrigerators manufactured.
4. The gross profit per unit sold.
5. The income per unit sold.
6. The ratio of gross profit to sales.
7. The income to sales percentage.

Q.2 Following costs were charged to Finishing department of Asia Manufacturing Company during the month of May:

Cost from preceding department	Rs. 94,500
Labor	Rs. 38,468
Factory overhead cost	Rs. 9,617

During May Finishing Department received 18,000 units from preceding department. 13,000 units were transferred to finished goods storeroom. 2,500 completed units were in Finishing Department awaiting transfer. At the end of May 2,000 units were in process in Finishing Department. These units were 40% converted.

Required: A cost of production report for Department No. 2 for the month of May.

Q.3 Predetermined factory overhead absorption rate computed by Fazal Industries is Rs.6 per machine hour. Budgeted factory overhead for activity level of 150,000 machine hours is Rs.800,000 and for activity level of 100,000 machine hours it is Rs.700,000. Actual factory overhead incurred during the year is Rs. 710,000 at an actual volume of 120,000 machine hours.

- Required:**
- (i) Variable factory overhead absorption rate.
 - (ii) Budgeted fixed factory overhead.
 - (iii) Budgeted activity level on which the absorption rate is based.
 - (iv) Over or under absorbed factory overhead.
 - (v) Volume variance.
 - (vi) Spending variance.

(P.T.O.)

Q.4 Consumption forecast of a particular material is given hereunder:

Maximum daily consumption	600 units
Average daily consumption	500 units
Minimum daily consumption	400 units
Lead time	4 to 8 days
Time to get emergency supplies	3 days
Economic order quantity	5,000 units

Required: Determine (a) Order level, (b) Minimum level, (c) Maximum level, (d) Danger level.

Q.5 A company had following inventories at the beginning and end of the month:

	September 1	September 30
Materials	Rs.20,000	Rs.25,000
Work in process --- materials	Rs. 9,000	Rs. 4,000
Work in process --- labour	Rs.16,000	Rs.10,000
Work in process --- FOH	Rs. 5,000	Rs. 6,000
Finished goods	Rs.12,000	Rs.25,000

During the month of September the cost of raw materials purchased was Rs.60,000; direct labour cost incurred was Rs.80,000 and factory overhead applied to production was Rs.30,000.

Required: a. Prepare the necessary journal entries on September 30 to transfer the cost of goods manufactured and sold to proper summary accounts.
b. Pass journal entries for sales return with your own figures.

Q.6 Abdullah and Ahmed are two workers in a department of a manufacturing concern. During each day of the previous week they worked as follow:

Days	Hours Worked	
	Abdullah	Ahmed
Monday	10	9
Tuesday	11	10
Wednesday	9	9
Thursday	8	10
Friday	9	8
Saturday	8	4

Required: Normal and overtime wages of Abdullah and Ahmed for the week if:
(a) Normal working hours are 8.
(b) Normal rate is Rs.80 per hour.
(c) Workers are paid at double the normal rate for overtime.

Q.7 Define cost accounting and differentiate between cost accounting and financial accounting.

Q.8 Explain in detail the functional classification of cost.



UNIVERSITY OF THE PUNJAB

PART – II A/2015
Examination:- B. Com.

Roll No.

Subject: Economics of Pakistan
PAPER: BC-407

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions. All questions carry equal marks.

- Q. 1:** Compare in brief the characteristic of a developing country with that of a developed country? (20)
- Q. 2:** Capital formation is basis of economic development of any country? Discuss with reference to Pakistan? (20)
- Q. 3:** Give merits and demerits of agricultural mechanization in Pakistan? (20)
- Q. 4:** What are the merits and demerits of privatization of Pakistan's industrial sector? (20)
- Q. 5:** What are the Pakistan's major products in manufacturing sector? Suggest measures to increase our exports in international market? (20)
- Q. 6:** "Means of transport and communication are vital for economic development". Briefly discuss? (20)
- Q. 7:** What is meant by economic planning? Discuss its objectives and briefly review the economic planning in past? (20)
- Q. 8:** Write short notes on the following: (10, 10)
- (a) Foreign Direct Investment (FDI)
 - (b) Energy crisis in Pakistan



UNIVERSITY OF THE PUNJAB

PART - II A/2015

Examination:- B. Com.

Roll No.

Subject: Pakistan Studies

TIME ALLOWED: 1 hr. & 30 min.

Paper: BC-408

MAX. MARKS: 40

NOTE: Attempt any TWO questions. All questions carry equal marks.

نوٹ: کوئی سے دو سوالات حل کریں۔ تمام سوالات کے نمبر یکساں ہیں۔

Q.1: Explain the basic principles of Ideology of Pakistan.

سوال نمبر ۱ ﴿ نظریہ پاکستان کے بنیادی اصول بیان کریں۔

Q.2: Write a comprehensive note on ALI GHAR MOVEMENT.

سوال نمبر ۲ ﴿ تحریک علی گڑھ پر جامع نوٹ لکھیں۔

Q.3: Write a note on importance of Pakistan's Geo. Political situation in present era.

سوال نمبر ۳ ﴿ موجودہ دور میں پاکستان کی جغرافیائی سیاسی صورت حال کی اہمیت پر نوٹ لکھیں۔

Q.4: Write a note any two of the following:

- (i) Objectives Resolution.
- (ii) Kinds of Education in Pakistan.
- (iii) Ch. Rehmat Ali.

سوال نمبر ۴ ﴿ مندرجہ ذیل میں سے کسی دو پر نوٹ لکھیں:

- (i) قرار داد مقاصد
- (ii) پاکستان میں تعلیم کی اقسام
- (iii) چوہدری رحمت علی

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