



UNIVERSITY OF THE PUNJAB

First Semester 2015

Examination: B.S. 4 Years Programme

Roll No.

PAPER: Financial Accounting-I

TIME ALLOWED: 2 hrs. & 30 mins.

Course Code: COMM-101 /

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Attempt All Questions

Q2: Write short notes on the following:

2 x 10 = 20

- i) Book keeping
- ii) Window dressing
- iii) Going concern concept
- iv) Double entry accounting
- v) Matching principle
- vi) Realization principle
- vii) Adjusting entries
- viii) Inventory shrinkage
- ix) Operating cycle
- x) Perpetual inventory system

Q3: During the month of January 2001, Foster Company had the following transaction:

[10]

- i) Revenues of \$10,000 were earned and received in cash.
- ii) Bank loans of \$2,000 were paid off.
- iii) Equipment of \$2,500 was purchased.
- iv) Expenses of \$6,200 were paid.
- v) The owner, Doug Foster, invested an additional \$5,000 in the business. Assuming that the cash balance at the beginning of the month was \$5,600, prepare a statement of cash flows that displays operating, investing and financing activities and that reconciles the beginning and ending cash balance.

Q4: City flights provides transportation by helicopter between a major airport and various business centers of a large city. Among the ledger accounts used by the company are the following. [10]

Cash	Passenger Fare Revenue
Account Payable	Advertising expense
Aircraft	Fuel expenses
Account receivable	Rent expense
O. Wright, capital	Repair and maintenance expense
O. Wright, drawing	Salaries expense

Some of the January transactions of city flights are listed below:

- Jan. 3** Paid \$3,520 rent for hanger space during January.
- Jan. 4** Placed advertising in local newspapers for publication during January. The agreed price of \$860 was payable within 10 days after the end of the month.
- Jan. 15** Cash receipts from passengers for the first half of the January amounted to \$23,160.
- Jan. 15** O. Write, the owner withdrew \$7,500 cash for personal use.
- Jan. 16** Paid salaries to employees for services rendered in first half of January, \$13,200.
- Jan. 25** Provided transportation for executives of the Hurley Corporation, a long time credit customer. Sent bill for \$470, due within 30 days.
- Jan. 29** Received a bill from western oil company, for fuel used in January, amounting to \$4,340 and payable by February 10.
- Jan. 31** Paid \$3,372 to Stevens motors for repair and maintenance work during January.

Instruction:

- a) Prepare a general entry (including an explanation) for each of the above transaction.
- b) Describe the effect of the January 29, transaction involving fuel used in January on each of the following: assets, liabilities, owner's equity, and net income. For each of the four items indicate whether the transaction caused an increase, decrease or no effect.

Q5: The law firm of Dale and Clark prepares its financial statements on a monthly bases. Among the items requiring adjustment a December 31, are the following: [10]

- i) Salaries to staff attorneys are paid on fifteenth day of each month.
 - ii) Salaries accrued since December 15 amount to \$17,800 and have not yet been recorded.
 - iii) The firm is defending J.R. Stone in a civil law suit. The agreed upon legal fees are \$2,100 per day while the trial is in progress. The trial has been in progress for nine days during December and is not expected to end until late January. No legal fees have yet been billed to stone. (Legal fees are recorded in an account entitled Legal Fees Earned).
-
- a) Prepare the two adjusting entries required at December 31 to record the accrued salaries expense and the accrued legal fee revenue.
 - b) Assume that salaries paid to staff attorneys on January 15 amounts to \$35,000 for the period December 15 through January 15. How much of this amount is considered salaries expense of January? (although not required, you may wish to prepare the general entry at January 15 to record payment of staff attorneys).
 - c) Assume that on January 29, Dale and Clark receives \$60,900 from J.R. Stone in full settlement of the legal fees for services in the civil lawsuit. What portion of this amount constitutes revenue earned in January? (Although not required, you may wish to prepare the general entry at January 29 to record receipt of the \$60,900).

Good-Luck



UNIVERSITY OF THE PUNJAB

Roll No.

First Semester 2015
Examination: B.S. 4 Years Programme

PAPER: Financial Accounting-I
Course Code: COMM-101 /

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Q1: MCQs encircle the correct answer. $1 \times 10 = 10$ Marks

- i) Book keeping provides the.
- | | |
|-----------------------|----------------------|
| a) Primary Function | b) Final Information |
| c) Secondary Function | d) All of the above. |
- ii) Accounting is the language of:
- | | |
|-----------------|---------------|
| a) Business | b) Money |
| c) Book Keeping | d) Proprietor |
- iii) According to this concept, it is assumed that business will exist for indefinite time period.
- | | |
|----------------------------|--------------------------|
| a) Realization concept | b) Going concern concept |
| c) Business entity concept | d) None of these |
- iv) According to this concept, expenses are matched with revenues to study the business result.
- | | |
|---------------------|----------------------------|
| a) Matching concept | b) Dual aspect concept |
| c) Cost concept | d) Business entity concept |
- v) According to the convention, 'anticipate no profit but provide for all possible losses'.
- | | |
|--------------------|-----------------|
| a) Full disclosure | b) Conservatism |
| c) Consistency | d) Materiality |
- vi) According to accounting equation capital is equal to:
- | | |
|-------------------------|-------------------------|
| a) Assets + liabilities | b) Expenses - income |
| c) Liabilities - assets | d) Assets - liabilities |

P.T.O.

vii) A book in which transaction are recorded in chronological order is called:

- | | |
|------------|------------------|
| a) Ledger | b) Trial balance |
| c) Journal | d) None of these |

viii) The revenue that has not become due but received in cash in current year is known as:

- | | |
|--------------------------------|--------------------|
| a) Revenue received in advance | b) Accrued revenue |
| c) Un earned revenue | d) Both a & c |

ix) Which one of the following is not considered the permanent part of the accounting report.

- | | |
|------------------|------------------|
| a) Balance sheet | b) Trial balance |
| c) Ledger | d) Worksheet |

x) A statement which is prepared to know the financial position of a business in a particular date is called:

- | | |
|-----------------------|---------------------------|
| a) Balance sheet | b) Statement of condition |
| c) Position statement | d) All of above |



UNIVERSITY OF THE PUNJAB

Roll No.

Second Semester 2015
Examination: B.S. 4 Years Programme

PAPER: Financial Accounting-II
Course Code: COMM-102 /

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Q # 1 ENCIRCLES THE CORRECT ANSWER:

(10)

1. Which one of the following is the formula for the inventory turnover rate?
 - a. Net sales divided by cost of goods sold.
 - b. Cost of goods sold divided ending Inventory.
 - c. Average inventory divided by cost of goods sold.
 - d. None of the above
2. Trade accounts receivable:
 - a. Arise from the sale of a company's products or services.
 - b. Are reported in the non-current asset section of the balance sheet.
 - c. Include deposits with utilities.
 - d. Generally comprise the minority of the total receivables balance.
3. If the journal entry to record an accrued liability were accidentally recorded twice, it would:
 - a. Understate income for the year.
 - b. Overstate income for the year.
 - c. Have no effect on income for the year.
 - d. Understate accrued liabilities at the end of the year.
4. If the petty cash fund is not replenished at the end of the accounting period, which of the following effect will occur?
 - a. Net income will be understated.
 - b. Assets will be understated on the balance sheet.
 - c. The cash account will be understated.
 - d. The balance sheet and the income statement will not be correct.
5. Which of the following flow assumptions is not acceptable under generally accepted accounting principles?
 - a. First-in, first-out.
 - b. Last-in, first-out.
 - c. Next-in, first-out.
 - d. Average cost.
6. The Discount on Notes Payable:
 - a. Is a contra liability account.
 - b. Is a contingent liability account.
 - c. Should be reported as an asset because of its debit balance.
 - d. Is amortized to reduce interest expense over the life of the note payable.
7. The FICA tax is levied on:
 - a. Employees only.
 - b. Employers only.
 - c. Both employees and employers.
 - d. Earnings in excess of base amounts
8. Vivian Howell is the payee of Rs. 10,000, 180-day, 8% note. At maturity, the maker failed to pay. How much interest income should Vivian recognize on the dishonored note?
 - a. Rs. 0
 - b. Rs. 400
 - c. Rs. 800
 - d. Rs. 10,800
9. Which of the following items is an intangible asset?
 - a. Patents
 - b. Copyrights
 - c. Franchises
 - d. All of the above
10. If an inventory turnover rate is 10.0, how many days does required to turnover?
 - a. 10 days
 - b. 20 days
 - c. 36.5 days
 - d. 365 days



UNIVERSITY OF THE PUNJAB

Second Semester 2015

Examination: B.S. 4 Years Programme

Roll No.

PAPER: Financial Accounting-II

Course Code: COMM-102 /

TIME ALLOWED: 2 hrs. & 30 mins.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Answer all the questions.

Q # 2 Briefly explain the followings:

1. JIT? (Just in Time)
2. Depletion
3. FOB Destination
4. Cash equivalents
5. Residual value
6. Capital budgeting
7. Contingent liability
8. Mutual agency
9. Operating cycle
10. Inventory turnover rate

(Marks 20)

Q # 3 At November 30 One Day Cleaners has available the following data concerning its bank checking accounts

- a) At November 30 cash per the bank statement was \$37,758; per the accounting records, \$34,500.
- b) The cash receipt of \$6,244 on November 30 was deposited on December 1.
- c) Included on the bank statement was a credit for \$4167 interest earned on checking accounts during November.
- d) Two checks were outstanding at November 30: no.921 for \$4964 and no. 925 for \$1,085.
- e) Enclosed with the bank statement were two debit memoranda for the following items: service charge for November, \$14; and \$700 checks of customer Tanya Miller marked "NSF".

INSTRUCTIONS:

- I. Prepare bank reconciliation at November 30.
- II. Prepare adjusting entries based on the bank reconciliation.

(Marks 10)

Q # 4 The income statement approach to estimating uncollectible accounts expense is used by Mumtaz Wholesale. On March 31 the firm had accounts receivable in the amount of \$630,000. The allowance for doubtful accounts had a credit balance of \$3,950. The controller estimated that uncollectible account expense would amount to one half of 1% of the \$5,200,000 of net sale made during March. This estimate was entered in the accounts by an adjusting entry on March 31.

On April 12, an account receivable from Conrad Stern of \$3,110 was determine to be worthless and was written off. However on April 24, Stern won several thousand dollars on a TV game show and immediately paid the \$3,110 past due account.

INSTRUCTIONS:

Prepare four journal entries in general journal form to record the above events. (Marks 10)

Q # 5 Aspen Lodge is a partnership with a record of the profitable operations. At the end of the current year the capital accounts of the three partners and the ratio for sharing profit and loss are as shown in the following schedule. At this date, it is agreed that new partner, Wolfgang Ritter, is to be admitted to the firm.

	Capital	Profit Sharing Ratio
Olga Svenson.....	\$300,000	60%
Jill Kidd.....	\$240,000	30%
Miles Kohl.....	\$180,000	10%

INSTRUCTIONS:

For each of the following situations involving the admission of Ritter to the partnership, give the necessary journal entry to record his admission.

- i. Ritter purchases on half of Kidd's interest in the firm, paying Kidd personally \$150,000.
- ii. Ritter invest \$200,000 in the firm and receives a one forth interest in the capital and profits of the business. In addition to the journal entry to record Ritter's admission, also show computation.
- iii. Ritter invest \$360,000 in the firm and receives a one fourth interest in the capital and profits of the business. In addition to the journal entry to record Ritter's admission, also show computation.(Marks 10)



UNIVERSITY OF THE PUNJAB

Third Semester 2015
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Advanced Financial Accounting-I
Course Code: COMM-201/

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

SUBJECTIVE

Answer all the questions.

Q # 2 Give Short answers of the following questions:

(20)

1. Distinguish between common stock and preferred stock.
2. What is treasury stock?
3. What are preferential creditors?
4. What are the types of statements prepared under liquidation of companies?
5. Define Absorption.
6. What are the sources of bonus issue?
7. What is over-subscription of shares?
8. What is profit and loss appropriation account?
9. Who are contributories?
10. Calculate quantum of bonus if: Free Reserves Rs. 40,00,000 and Existing Capital Rs. 30,00,000.

Q # 3 The year-end balance sheet of ZEEMAL CORPORATION includes the following stockholders' equity section (with certain details omitted).

Stockholders' equity:

Rs. 8.25 cumulative preferred stock, Rs. 100 par value, callable at Rs. 105	Rs. 12,000,000
Common stock, Rs. 5 par value, 5,000,000 shares authorized	20,000,000
Additional paid-in capital:	
Preferred	240,000
Common	31,200,000
Retained earnings	57,160,000
Total stockholders' equity	<u>Rs. 120,600,000</u>

INSTRUCTIONS: From this information, compute answers to the following questions:

- a. How many shares of preferred stock have been issued?
- b. What is the total amount of the annual dividends paid to preferred stockholders?
- c. What was the average issuance price per share of common stock?
- d. What is the amount of legal capital and the amount of total paid-in capital?
- e. What is the book value per share of common stock?

(10)

(P.T.O.)

Q # 4 The following particulars relate to AIMAL-NOOR LIMITED COMPANY which has gone into Voluntary Liquidation. You are required to prepare the Liquidator's Final Statement of Account, allowing for his remuneration @ 2% on amount realized and 2% on amount distributed among unsecured creditors other than preferential creditors.

The assets realized the following sums:

	Rs.
Land and Building	20,000
Plant and Machinery	18,650
Fixtures and Fitting	1,000

The liabilities of the Company was:

Preferential creditors	10,000
Unsecured creditors	32,000
Debentures	10,000
Equity Share Capital	
5,000 shares of Rs. 10 each	50,000

The liquidation Expenses amounted to Rs. 1,000

(10)

Q # 5 Form the following information; find out the value of each share:

Balance Sheet of ABU BAKAR Company

Liabilities	Rs.	Assets	Rs.
Share Capital:		Fixed Assets:	
20,000 equity shares of Rs. 10 each	2,00,000	Goodwill	1,90,000
Reserve and Surplus:		Investments	3,00,000
Reserve	2,50,000	Current Assets, Loans and Advances:	
Profit and Loss A/c	30,000	(a) Current Assets	50,000
Unsecured Loans	80,000	(b) Loans and Advances	30,000
Current Liabilities	20,000	Misc. Expenditure	10,000
	5,80,000		5,80,000

For the purpose of valuation of shares goodwill shall be taken at two years' purchases of the average profit of the last five years. The profits for the last five years are: Rs. 60,000; Rs. 70,000; Rs. 40,000; Rs. 50,000; Rs. 50,000.

(10)



Attempt this Paper on this Question Sheet only.

OBJECTIVE

Q # 1 ENCIRCLES THE CORRECT ANSWER:

1. Premium on issue of shares can be used for:
 - a. Payment of dividend
 - b. Writing off goodwill
 - c. Issue of bonus shares
 - d. Issue of right shares
2. Common stockholders will receive a dividend
 - a. In every year that the corporation is profitable
 - b. In every year that the board of directors declares a dividend
 - c. Every year, whether the corporation is profitable or not
 - d. Every year that profits exceed a stated amount
3. A Joint Stock Company can present its balance sheet:
 - a. In any way the company likes
 - b. In any way the shareholders like
 - c. As per schedule of the Companies Ordinance
 - d. In any way the directors like
4. Profit on cancellation of own debentures is transferred to:
 - a. Capital reserve
 - b. Dividend equalization fund
 - c. Profit and loss account
 - d. Profit and loss appropriation account
5. A contributory is:
 - a. A creditor
 - b. A shareholder
 - c. A debenture holder
 - d. A liquidator
6. X Ltd. goes into liquidation and an existing company Z Ltd. purchases the business of X Ltd. It is a case of:
 - a. Absorption
 - b. External reconstruction
 - c. Amalgamation
 - d. None of the above
7. Preparation of final financial reports of companies is governed in Pakistan under:
 - a. No law
 - b. Companies Ordinance 1984
 - c. Companies Ordinance 1933
 - d. None of the above
8. Debenture holders having a floating charge have priority in payment over:
 - a. Preferential creditors
 - b. Secured creditors
 - c. Unsecured creditors
 - d. Partly secured creditors
9. Advance payment of tax should be shown on the:
 - a. Assets side of the balance sheet
 - b. Liabilities side of the balance sheet
 - c. Debit side of profit and loss account
 - d. Credit side of profit and loss account
10. When purchase consideration is discharged by purchasing company, the company debits:
 - a. Business purchase account
 - b. Asset account
 - c. Liquidator of vendor account
 - d. Liability account



UNIVERSITY OF THE PUNJAB

Third Semester 2015
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Business & Industrial Law
Course Code: COMM-202/

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

SUBJECTIVE TYPE

Q.2 Short Questions

(2x10=20)

- i. Define goods and write kinds of goods?
- ii. What is agency and its essentials?
- iii. What are Conditions and Warranties?
- iv. What do you understand by Doctrine of Caveat Emptor?
- v. What is bilateral contract?
- vi. All contracts are agreements but all agreements are not contracts.
Comment.
- vii. What do you mean by breach of contract?
- viii. Define contract of sale. Distinguish between sale and agreement to sell?
- ix. What is contract of indemnity?
- x. What is difference between bailment and pledge?

Q.3 Long Questions

(3x10=30)

- i. What are different ways for discharge of contract?
- ii. What is meant by crossing of cheque? What are various types of crossing?
- iii. What are the rights of unpaid seller?



Attempt this Paper on this Question Sheet only.

Objective Part

Q.1 MULTIPLE CHOICE QUESTIONS

(1x10=10)

- 1) What is the object of offer or proposal:
 - a) to make contract
 - b) to create legal relationships
 - c) to get the willingness
 - d) both b & c
- 2) A minor can make a contract on behalf of his guardian:
 - a) yes
 - b) no
 - c) with his permission
 - d) under his pressure
- 3) Quasi contract is
 - a) based on an agreement
 - b) not a contract
 - c) not enforceable by law
 - d) semi judicial contract
- 4) How many parties are in the guarantee contract:
 - a) one
 - b) two
 - c) three
 - d) four
- 5) Agent in the agency contract is given:
 - a) salary
 - b) commission
 - c) share
 - d) none
- 6) In executory contract:
 - a) one party perform
 - b) something remains to be done
 - c) nothing remains to be done
 - d) both parties perform
- 7) Social Security Ordinance was passed in:
 - a) 1950
 - b) 1960
 - c) 1965
 - d) 1970
- 8) Wagering contract is:
 - a) legal
 - b) illegal
 - c) valid
 - d) voidable
- 9) Workmen compensation is given to:
 - a) all employees
 - b) injured person
 - c) any person
 - d) none of these
- 10) Payment of wages mean:
 - a) compensation
 - b) remuneration in terms of money
 - c) reward
 - d) benefits



UNIVERSITY OF THE PUNJAB

Roll No.

Third Semester 2015
Examination: B.S. 4 Years Programme

PAPER: Income Tax Law
Course Code: COMM-203/

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Q. No. 1 Encircle appropriate option

(10x1=10 marks)

1. What is the tax treatment of the reimbursement of entertainment expenditure made by the employer?
 - a. Wholly Taxable
 - b. Wholly exempt
 - c. Partly Taxable
2. Agricultural income includes which one of the following?
 - a. Income from fisheries
 - b. Land revenue assigned to Jagirdar.
 - c. Salary received by agricultural manager.
3. Senior citizen-age 60 years & above where taxable income not exceeding _____ tax liability reduced by 50% under Part 3 of second schedule.
 - a. 300000
 - b. 500000
 - c. 1000000
4. Under section 13 of the Income Tax Ordinance 2001 if a loan is given to an employee by the employer without charging profit/interest, it attracts benchmark interest/profit rate with effect from tax year 2014
 - a. 10%
 - b. 14%
 - c. 15%
5. In case of small city what percentage is used to calculate the value of accommodation facility:-
 - a. 45 %
 - b. 30 %
 - c. 35%
6. The following percentage of total income of individual is allowed as donations to approved charitable institutions u/s 61.
 - a. 20%
 - b. 30%
 - c. 40%
7. Personal legal expenses incurred by individual taxpayer, are entitled for:
 - a. Rebate at an average rate of tax
 - b. Deduction from tax
 - c. None of the above
8. If the employees has given medical allowance how much amount is exempt from tax:-
 - a. 10 % of Salary
 - b. 10 % of basic salary
 - c. 10 % of MTS
9. Which one is not the example of "Income from other sources":-
 - a. Dividend
 - b. Royalty
 - c. Salary
10. An individual will become a resident of Pakistan in a tax year if his stay in Pakistan in that year is:
 - a. 365 days
 - b. 183 days or more
 - c. 180 days or more



UNIVERSITY OF THE PUNJAB

Third Semester 2015
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Income Tax Law
Course Code: COMM-203/

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q. No. 2 Give any FIVE short answers of the following. (5x4=20)

- Company
- Pension
- Computation of rent chargeable to tax?
- Loss of speculation business.
- Penalty for concealment of income.
- Composition of Appellate Tribunal

Q. No. 3 Discuss the various types of relief on which an individual can be claimed as tax credits..
15 marks

Q. No. 4 The following information in respect of Mr. Sultan Ahmad is available in respect of Tax year ended 30th June 2014:
15 marks.

1	Basic Salary	Rs. 800,000
2	Bonus	150,000
3	House rent allowance at 50 % of the basic pay	
4	Conveyance Allowance	60,000
5	Leave encashment during the service	18,400
6	Interest free loan obtained from the employer	800,000
7	Property income (net)	100,000
8	Profit from speculation business	20,000
9	Gain on sale of public company shares (holding period more than one year)	20,000
10	Loss on sale paining	10,000
11	Income from talk delivered on TV (gross)	8,000
12	Annuity received from state life insurance corporation of Pakistan	50,000
13	Contribution to approved pension fund	100,000
14	Defence saving certificate purchased	30,000
15	Personal legal expenditures	25,000
16	Life insurance premium paid by employee on the policy of his wife	15,000
17	Gift received from mother	70,000

Required: Compute taxable income and tax payable.

Rates of Tax for salaried persons for Tax Year 2011

- Where the taxable income exceeds Rs.14,00,000 but does not exceed Rs. 15,00,000
Rs.82500+12.5 % of the amount exceeding Rs. 14,00,000
- Where the taxable income exceeds Rs. 15,00,000 but does not exceed Rs. 18,00,000
Rs. 95000+15 % of the amount exceeding Rs. 15,00,000



Attempt this Paper on this Question Sheet only.

Part I: Multiple Choice Questions (10x1=10 marks)

Q. 1. Encircle appropriate option with respect to statement.

- i. State Bank of Pakistan was established on
 - a. 1947
 - b. 1948
 - c. 1949
 - d. 1950
- ii. Lower the rate of exchange of currency officially
 - a. Devaluation
 - b. Depreciation
 - c. Appreciation
 - d. None of the above
- iii. Rate of foreign exchange rate at the spot or at the moment
 - a. Spot rate
 - b. Forward rate
 - c. Interbank rate
 - d. Official rate
- iv. IMF stand for
 - a. International Monetary Finance
 - b. International Monetary Fund
 - c. International Material Fund
 - d. Immediate Monetary Feedback
- v. Islamic modes of business in which one party contributes skills and another party provides capital
 - a. Musharka
 - b. Bai Salam
 - c. Bai Istisna
 - d. Modaraba
- vi. "Lender of last resort" is referred to
 - a. Central Bank
 - b. Islamic Development Bank
 - c. Asian Development Bank
 - d. IMF
- vii. Deposit which can be withdrawn by the depositor at any time by cheques
 - a. Current deposit
 - b. Fixed deposit
 - c. Term deposit
 - d. None of the above
- viii. Supply of country's products to the foreign countries
 - a. Exports
 - b. Imports
 - c. Retail trade
 - d. Home trade
- ix. Credit which is advanced for non-business purposes
 - a. Consumers' credit
 - b. Commercial credit
 - c. Investment credit
 - d. None of the above
- x. Money market refers to
 - a. Long term equities
 - b. Long term debts
 - c. Long term equities and debts
 - d. Short term debts



UNIVERSITY OF THE PUNJAB

Third Semester 2015
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Money Banking & Finance
Course Code: COMM-204/

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Part II: Questions with short answers (10x2=20 marks)

Q. 2. Provide short and very brief answers to the following questions.

- i. Define central bank
- ii. List down basic functions of money
- iii. Differentiate three points between money and currency
- iv. Deflation
- v. What is meant by index numbers
- vi. Explain fixed exchange rate system
- vii. Define currency principle of note issue
- viii. Define hypothecation
- ix. Define modarba
- x. Explain trade cycle

Part III: Questions with brief answers (3x10=30 marks)

Q. 3. Provide brief answers to the following questions.

- i. Discuss duties of banker and customer
- ii. Explain process of credit creation
- iii. Explain sources of business finance



UNIVERSITY OF THE PUNJAB

Fourth Semester 2015
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Advanced Financial Accounting-II
Course Code: COMM-205 /

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Answer all the questions.

Q # 2 Give Short answers of the following questions:

(20)

1. Distinguish between branch and department?
2. Calculate the value of cash received from debtors from the following particulars:
Opening balance of debtors Rs. 1,400; Credit sales Rs. 7,000; Closing balance of debtors Rs. 1,800.
3. What do you mean by retention money in a contract account?
4. What is normal loss?
5. What are foreign branches?
6. What do you mean by work certified and work uncertified?
7. Pass the journal entry to record the transfer of goods in departmental accounts.
8. Define operating lease.
9. Distinguish between consignment and joint venture.
10. Calculate the value of adjusted per unit cost in case of normal loss from the following particulars:
Original cost of goods consigned Rs. 3,00,000
Direct expenses Rs. 5,000
Total units of goods 1,000
Units lost 20

Q # 3 From the following data prepare departmental trading and profit and loss account revealing the combined income and the concern's true results for the year ended 31st December, 2014:

	Departments	
	A	B
	Rs.	Rs.
Stock (January 1)	40,000	---
Purchases from outside	2,00,000	20,000
Wages	10,000	1,000
Transfer of goods from Deptt. A	---	50,000
Stock (Dec. 31) at cost to the Deptt.	30,000	10,000
Sales to outsiders	2,00,000	71,000

B's entire stock represents goods from Deptt. A which transfers them at 25% above its cost. Administrative and selling expenses amount to Rs. 15,000 which are to be allocated between departments A and B in the ratio of 4 : 1 respectively.

(15)

Q # 4 Bashir Thekedar started work on 1st January, 2015 on a contract for Rs. 5,00,000. On 31st March, 2015 when he prepared his final accounts, the following information relating to the contract was extracted from his books of account:-

	Rs.
Materials issued from stores and sent to site	1,60,000
Wages paid	1,01,200
Wages outstanding on 31 st March, 2015	37,520
New machines purchased and sent to site on 1 st January, 2015	1,48,000
Direct charges paid	7,500
Direct charges outstanding on 31 st March, 2015	600
Establishment charges apportioned to contract	6,400

On 31st March, 2015 materials lying unused at site were valued at Rs. 21,620. Machines were depreciated @ 20% per annum. Value of work certified by 31st March, 2015 was Rs. 3,50,000 while the cost of work done but not yet certified as on that date was Rs. 18,000. On the basis of architect's certificate Bashir Thekedar had received a total sum of Rs. 2,80,000 from the contractee till 31st March, 2015.

Prepare Contract Account in Bashir Thekedar's ledger. Also show the relevant portions of the contractor's balance sheet as at 31st March, 2015.

(15)



UNIVERSITY OF THE PUNJAB

Roll No.

Fourth Semester 2015
Examination: B.S. 4 Years Programme

PAPER: Advanced Financial Accounting-II
Course Code: COMM-205 /

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Q # 1 ENCIRCLES THE CORRECT ANSWER: (10)

1. If the rate of gross profit for department A is 25% of cost, the amount of gross profit on a turnover of Rs. 1,00,000 will be:
 - a. Rs. 25,000
 - b. Rs. 20,000
 - c. Rs. 33,333
 - d. None of these
2. Goods sent by the Head Office to the Branch, not received by the Branch are credited by the Head Office to:
 - a. Branch account
 - b. Goods in transit account
 - c. Trading account
 - d. Profit and loss account
3. Lease payments under an operating lease should be recognized as an:
 - a. Expense
 - b. Asset
 - c. Equity
 - d. None of these
4. Joint Bank Account is opened:
 - a. When no separate books for the venture are maintained
 - b. When separate books for the venture are maintained
 - c. Under memorandum basis
 - d. Under no circumstances
5. The cost of electric power should be apportioned over different departments according to:
 - a. Horse power of motors
 - b. No. of light points
 - c. Horse power \times Machine hours
 - d. Machine hours
6. Under debtors system branch account is a:
 - a. Nominal account
 - b. Real account
 - c. Personal account
 - d. Contra account
7. Work certified is valued at:
 - a. Cost price
 - b. Sales price
 - c. Future price
 - d. None of these
8. Contract account is prepared in the books of:
 - a. Contractor
 - b. Contractee
 - c. Architect
 - d. None of these
9. In the books of consignee the expenses incurred by him on consignment are debited to:
 - a. Consignment account
 - b. Cash account
 - c. Consignor account
 - d. Expense account
10. In the case of del-credere commission, the liability for bad debts is on:
 - a. Consignee
 - b. Consignor
 - c. Principal
 - d. None of these



UNIVERSITY OF THE PUNJAB

Fourth Semester 2015

Examination: B.S. 4 Years Programme

Roll No.

PAPER: Auditing

Course Code: COMM-206 /

TIME ALLOWED: 2 hrs. & 30 mins.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q # 2 **Briefly Explain the followings** (20Marks)

1. What is the difference between Error and Fraud?
2. Define Final Audit and Interim Audit.
3. Explain Audit working Papers.
4. What is meant by error of commission?
5. What is meant by window dressing?
6. List down the advantages of an audit program.
7. Discuss the types of Auditor.
8. Three disqualification of an auditor.
9. Define Unqualified Audit report.
10. What is meant by Cut off Procedures?

Q3. **Answer the following questions.** (30Marks)

1. What is meant by internal control, internal check and internal audit? Suggest a suitable internal check system over cash receipts of a trading concern.
2. How an Auditor can be appointed by a Public Limited Company and what are the duties performed by him?
3. Discuss the special points to be kept in mind by an auditor while examining the accounts of Insurance Company?



UNIVERSITY OF THE PUNJAB

Roll No.

Fourth Semester 2015
Examination: B.S. 4 Years Programme

PAPER: Auditing
Course Code: COMM-206 /

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Q1. Choose the correct answer.

(10)

1. **Incorrect distinction between the capital and revenue expenditures is**
a) Cash Fraud (c) Incorrect Allocation
b) Incorrect Valuation (d) Manipulation of account
2. **Witness to the validity or truthness of a statement is called**
a. Vouching (c) Verification
b. Investigation (d) Attestation
3. **Continuous Audit is also known as**
a. Detailed Audit (c) Periodic Audit
b. Temporary Audit (d) Optional Audit
4. **Unintentional mistakes in the books of accounts committed by lower level of management known as**
a. Compensatory errors (c) Principle errors
b. Clerical errors (d) Error of omission
5. **A set of policies and procedures that dictate how auditing is to be implemented known as**
a. Audit working papers (c) Audit Engagement
b. Audit program (d) Auditing Planning
6. **Appointment of external auditor is**
a. Not required by law (c) Subject to management
b. Legal requirement (d) none of the above
7. **First auditor must be appointed within the -----of incorporation.**
a. 90 days (c) 15 days
b. 21 days (d) 60 days
8. **Criminal liability of an auditor arises when an auditor makes willfully false statements in any.**
a. Report (c) Balance Sheet
b. Certificate (d) All of the Above
9. **A report containing objections and material discrepancies regarding financial position is known as**
a. Statutory report (c) Annual report
b. Unqualified report (d) Qualified report
10. **An Auditor can be appointed for the period of**
a. One financial year (c) both a & b
b. up to next AGM (d) 3 years



UNIVERSITY OF THE PUNJAB

Fourth Semester 2015
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Cost Accounting
Course Code: COMM-207 /

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

SHORT QUESTIONS

Q2. Give short answers.

(10X2=20 Marks)

- I. Define Controllable Cost.
- II. Define Cost Accounting.
- III. What is the difference between direct cost and indirect cost?
- IV. Define Abnormal loss.
- V. What is Product Cost and Period Cost?
- VI. What is Practical Capacity?
- VII. What is Piece Rate System?
- VIII. What are the elements of Cost?
- IX. Define Job Order Costing.
- X. Give any four examples of Factory overhead cost.

LONG QUESTIONS

Q3. During September 50,000 units were transferred in from Department A at a cost of Rs. 111,250. Materials cost of Rs. 183,750 and conversion cost of Rs. 65,475 were added in Department B. On September 30, Department B had 3000 units in work in process inventory, 50% complete as to conversion costs. Materials are added in the beginning of the process in Department B.

Required: Cost of production report for the Month of September.

(10 Marks)

Q4. Consumption forecast of two materials A and B is as follows:

Maximum Daily Consumption	600 units
Average daily Consumption	500 units
Minimum Daily Consumption	400 units

	<u>Material A</u>	<u>Material B</u>
Lead Time	4-8 Days	3-5 Days
Lead Time to get urgent Supply	3 Days	1 Day
EOQ	5000 units	3000 units

Required: Calculate for Each of the Materials:

- a) Order Level
- b) Minimum Level
- c) Maximum Level
- d) Danger Level

(10 Marks)

P.T.O.

Q5. On May 31, 2012, a fire broke out in factory premises of Chaudry & Brothers. Consequently the processing building and the in-process inventory were completely destroyed but the store room could be saved.

After the fire, a physical inventory was taken. Raw materials were valued at Rs. 60,000, Finished Goods at Rs.120,000 and supplies at Rs.10,000.

Inventories on January 1, 2012 consisted of:

Raw Materials	Rs.30,000
Work in process	100,000
Finished Goods	140,000
Supplies	4,000

Financial statements of the company reveal following figures of sales and gross profit for the last five years:

<u>Years</u>	<u>Sales</u>	<u>Gross Profit</u>
2006	Rs.600,000	Rs.192,400
2007	640,000	224,800
2008	660,000	237,800
2009	500,000	137,000
2010	540,000	188,000

Sales for first five months of 2012 were Rs.300,000. Raw material purchases were Rs.100,000. Freight on purchases was Rs.10,000. Direct labor for the five months was Rs.80,000. For the past five years factory overhead was at 50% of direct labor.

Required: Compute the value of Work in Process inventory lost by fire. (10 Marks)



UNIVERSITY OF THE PUNJAB

Roll No.

Fourth Semester 2015
Examination: B.S. 4 Years Programme

PAPER: Cost Accounting
Course Code: COMM-207 /

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Q1. Choose the correct answer. (10X1=10 Marks)

1. The ability to produce is called:

- A. Danger level
- B. Work-in-process inventory
- C. Capacity level
- D. Minimum level

2. Fixed Cost + Variable Cost = _____

- A. Total Cost
- B. Conversion Cost
- C. Period Cost
- D. None

3. A loss which cannot be controlled even if in very efficient working conditions is called:

- A. Normal loss
- B. Abnormal loss
- C. Spoilage
- D. None of the above

4. Product Cost of a Trading Concern includes:

- A. Transportation Inward
- B. Purchase Price of Merchandise
- C. Receiving Cost
- D. All of above

5. If Gross Profit is 30% of Sales then Cost of Sales (CGS) will be:

- A. 130% of Sales
- B. 30% of Sales
- C. 70% of Sales
- D. None

6. The cost(s) which is/are used to convert raw material into finished goods include:

- A. Direct Labor
- B. Factory Overheads
- C. None of the above
- D. both A and B

7. Direct Labor cost is an example of:

- A. Variable cost
- B. Fixed cost
- C. Conversion cost
- D. None

8. Direct Material Cost is 5000, Direct Labor Cost is 10000, FOH cost is 20,000, what will be Prime Cost?

- A. 35000
- B. 15000
- C. 10000
- D. None of these

9. An inventory system which gives updated information about incoming or outgoing of material is called:

- A. Perpetual
- B. Periodic
- C. Average cost method
- D. None

10. Cost of goods manufactured + opening finished goods - ending finished goods = _____?

- A. Total Current Manufacturing Cost
- B. Cost of Goods sold
- C. A and B both
- D. None



UNIVERSITY OF THE PUNJAB

Fourth Semester 2015
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Sales Tax Custom and Federal Excise Duty TIME ALLOWED: 2 hrs. & 30 mins.
Course Code: COMM-208 / MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

- Q.No.2 Write short notes on the following: (5x4=20)
- (a) Supply
 - (b) Tax Fraud
 - (c) Tax Invoice
 - (d) Taxable Activity
 - (e) Associates (Associated person)
- Q.No.3 What is the requirement of Registration? Explain in detail procedure of Registration and Compulsory Registration. (10)
- Q.No.4 Give legal provisions regarding furnishing of return under sales tax act 1990 (10)
- Q.No.4 Mr. Abdul Jabbar Khan is a registered manufacturer. Data regarding his business for the month of May 2014 is as follows: (10)

1.	Tax turnover to registered person	Rs. 25,00,000
2.	Taxable turnover to registered retailers	300,000
3.	Exempt supplies	250,000
4.	Zero rated supply	600,000
5.	Supplies made for personal use (Including the amount of sale tax)	100,000
6.	Taxable purchases from registered person	400,000
7.	Acquisition of fixed assets for month of July 2014	250,000
8.	Sales tax paid on electricity bills (NTN is printed on)	25,000

Required :

Calculate Sales tax payable



UNIVERSITY OF THE PUNJAB

Roll No.

Fourth Semester 2015
Examination: B.S. 4 Years Programme

PAPER: Sales Tax Custom and Federal Excise Duty
Course Code: COMM-208 /

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Q.No.1 **Select correct answer from the keys given below: (10)**

1. **Sales Tax Act 1951 contains**
(a) 70 Section and one Schedule (b) 80 Section and two Schedule
(c) 90 Section and three Schedule (d) None of above
2. **Sales Tax Act 1990 contains**
(a) 75 Section and three Schedule (b) 85 Section and five Schedule
(c) 95 Section and Seven Schedule (d) None of above
3. **A person appointed by manufacturer for special area to purchase goods from him for sale to a wholesale dealer in that area is called**
(a) Seller (b) Retailer
(c) Distributor (d) None of above
4. **Which sales tax act applicable now a days:**
(a) Sales Tax Act 1950 (b) Sales Tax Act 1970
(c) Sales Tax Act 1980 (d) Sales Tax Act 1990
5. **Input Tax in relation to registered person means:**
(a) Tax levied on supply of goods (b) Tax levied on imports of goods
(c) Tax levied on export of goods (d) None of above
6. **Output Tax in relations to registered persons means:**
(a) Tax levied on purchase of goods (b) Tax levied on supply of goods
(c) Tax levied on supply of exempted goods (d) None of above
7. **Due date relation to the following of Sales Tax return means:**
(a) 1st day of the month (b) 13th day of the month
(c) 15th day of the month (d) 30th day of the month
8. **A manufacturer liable to be registered if his turnover is more than:**
(a) Rs. 5 million (b) Rs. 1 million
(c) Rs. 3 million (d) None of the above.
9. **Who is required to be registered under Sales Tax Act 1990:**
(a) Manufacturer (b) Consumer
(c) Exporter (d) None of above
10. **Application for registration is made to:**
(a) Local registration office (b) Central registration office
(c) Additional collector (d) None of above