



UNIVERSITY OF THE PUNJAB

Associate Degree in Commerce / B.Com. Part-II 2nd A-2019 & Annual - 2020

Roll No.

Subject: Advance Financial Accounting

Paper: BC-401

Time: 3 Hrs. Marks: 100

Special Examination, KUWAIT.

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

نوٹ: کوئی سے پانچ سوالات کو حل کریں۔ تمام سوالات کے نمبر برابر ہیں۔

Question: 1

Write Short Answers of the following:

1- Define Commercial Bank. 2- Define Unsecured Debentures. 3- Explain Stock Turnover Ratio 4- Define Interim Dividend. 5- Explain Net Profit 6- What is Instalment Sale 7- Define Marketing Expenses. 8- Define Work Uncertified. 9- Define Bonds Payable. 10- Define Bonus Shares

درج ذیل کے مختصر جوابات لکھیں: 1- کرنشل بینک 2- غیر محفوظ ڈیبنچر 3- اسٹاک کاروور کے تناسب کی وضاحت 4- عبوری منافع کی وضاحت کریں 5- خالص منافع کی وضاحت 6- قسط فروخت کیا ہے 7- مارکیٹنگ کے اخراجات کی وضاحت کریں 8- کیا ہوا کام غیر تصدیق شدہ ہے 9- ڈیٹا آن ہانڈ 10- بونس کے حصص کی وضاحت کریں

Question: 2

The following are the extracted from the Balance Sheet of Akhtar Company Ltd Faisalabad as on 31st Dec 2018

Authorized Share Capital	
200,000 ordinary shares of Rs. 10 each	Rs. 2,000,000
Issued and paid up Share Capital	
80,000 ordinary shares of Rs. 10 each	Rs. 800,000
Reserves	Rs. 450,000
Un-Appropriated Profit	Rs. 500,000
Long term Loan	Rs. 300,000

The Directors of the Company made the following recommendations which were approved by the shareholders in the Annual General Meeting.

- Long-term Loan of Rs. 300,000 be converted into share capital by the issue of ordinary shares of Rs.10 each at premium of 25%.
- Bonus shares are issued at the rate of 30% on the ordinary shares out of the Reserves and Un-Appropriated Profit in equal proportions.

Required: Pass the Journal entries which are necessary to carry out the above resolutions and show how they would affect the Balance Sheet of the company as on 31st Dec. 2018

ضروری ہے: جرنل کے اندراجات پاس کریں جو مندرجہ بالا قراردادوں پر عملدرآمد کرنے کے لئے ضروری ہیں اور یہ بتائیں کہ 31 دسمبر 2018 تک کمپنی کی بیلنس شیٹ کو کس طرح متاثر کریں گی۔

Question: 3

Safdar Company Limited, issued 5,000 12% Debentures of Rs.100 each at Rs.105 on 01/01/2019. The debenture holders had the option of converting within one year, debentures into ordinary shares of Rs. 100 each at Rs. 125. At the end of the 1st year, the interest on debentures was outstanding. Holders of 300 debentures decided to take advantage of the option.

Required: Give Journal Entries and show the Balance Sheet of the company for 2019.

ضروری ہے: جرنل کے اندراجات دیں اور 2019 کی کمپنی کی بیلنس شیٹ دکھائیں۔

Question: 4

The Following data are taken in the Comparative Balance Sheet prepared for the StandsFord Company

	2018	2019
Cash	RS. 16,000	RS. 30,000
Marketable Security	20,000	10,000
Trade Receivable	45,000	55,000
Inventories	60,000	75,000
Prepaid Expenses	1,500	2,500
Plant And Equipment	80,000	85,000
Intangible Asset	25,000	22,500
Other Assets	5,000	6,000
Total Assets	252,500	286,000
Current Liabilities	60,000	100,000

From the given data calculate for both the years

- The Working Capital
- The Current Ratio
- The Acid-Test Ratio
- The Ratio of Current Assets to Total Assets
- The Ratio of Cash to the Current liabilities

دیئے گئے اعداد و شمار سے دونوں سالوں کیلئے حساب کتاب کریں

1. ورکنگ کپٹل 2. موجودہ تناسب 3. فوری تناسب 4. کل اثاثوں کے موجودہ اثاثوں کا تناسب 5. موجودہ واجبات پر نقد رقم کا تناسب کا تناسب

Question: 5

What is the need for Merger of business? State the factors leading to the Merger of Companies.

کمپنیوں کے کاروبار کے انضمام کی کیا ضرورت ہے؟ کمپنیوں کے انضمام کا باعث بننے والے عوامل بیان کریں۔

Question:6

The Contract ledger of a company indicates the under mentioned expenditure on the account of Contract "B" to 31st December 2018.

Materials	Rs. 240,000
Plant	Rs. 40,000
Wages	Rs. 128,000
Establishments Expenses	Rs. 12,000

The Contract began in January, 2018; the Contract Price being Rs. 1,200,000. Cash received on account to date Rs. 480,000 which is 80% of the work certified; and the remainder is to be paid as to 10% on the completion and the balance six months after completion. Material on hand Rs. 22,000 and work completed but not certified as Rs. 15,000

Required: Prepare a Contract Account showing the profit to date after depreciating plant by 10%. How much profit would the company is justified in crediting to the Profit and Loss Account? Show also the Work-In-Progress would appear in the Balance Sheet.

ضرورت ہے:

ایک معاہدہ اکاؤنٹ تیار کریں جس میں پانچ لاکھ روپے کی قیمت پر 10% کی کمی کے بعد آج تک کتنا منافع ملتا ہے۔ منافع اور نقصان کے اکاؤنٹ میں کریڈٹ کرنے میں کمی کے لیے کتنا منافع بخش ہے؟ بیلنس شیٹ میں درج - ان - پر درج کریں بھی دکھائے

Question:7

2000 Sewing Machines were consigned by Sohail & Co. of Karachi to Amin of Lahore at an invoice cost of Rs.300 each. Sohail & Co., paid freight Rs. 20,000 and Insurance Rs. 3,000; during transit 200 Sewing machines were totally destroyed Amin took delivery of the remaining Sewing Machines and paid Rs. 28,400 as duty. Amin sent a Bank Draft to Sohail & Co. of Karachi., for 100,000 as an advance payment and later on sent on Account Sales showing that 1600 Sewing Machines were sold at Rs.440 each. Expenses incurred by Amin is godown rent and advertisement amounted to Rs.4000. Amin is entitled to commission of 5%.

Required: Prepare Consignment to Lahore Account and Amin Account, assuming that nothing has been recovered from the insurers due to defect in the insurance policy.

مطلوبہ: لاہور اکاؤنٹ اور امین اکاؤنٹ میں کیپ تیار کریں، یہ سمجھتے ہوئے کہ انشورنس پالیسی میں خرابی کی وجہ سے بیمہ دہندگان سے کچھ برآمد نہیں ہوا ہے۔

Question:8

The following is the trial balance of Moon Light company Karachi as on 31st March, 2019

	Rs	Rs
Share Capital:		80,000
8000 shares of Rs. 10 each fully paid		
Opening Stock	5,440	71,620
Purchases and Sales	58,240	
Other office expenses	3,640	
Wages	8,200	
Investment	18,000	10,000
General Reserve		
Plant	16,000	4,060
Debtors and Creditors	28,400	
Goods out on consignment	1,440	
Cash at bank	3,460	
Land	40,000	
Provision for Taxation		3,800
Investment income		1,240
Profit and Loss A/C		12,100
Total	182820	182820

Adjustments:

1. Closing stock Rs. 25,000
2. Sale include Rs. 1,200 goods on sales or return [Cost Price Rs 800]
3. Taxation provision is to be increased to Rs. 7000 and Transfer Rs. 3000 to General Reserve.
4. All the goods on consignment have been sold for Rs. 1800; subject to agent commission 5%

Required: Prepare Trading and Profit & Loss A/C for the year ended 31st March 2019 and a Balance Sheet as on that date.

مطلوبہ: 31 مارچ 2019 کو ختم ہونے والے سال کے لیے تمہارت اور منافع اور نقصان اور اسی تاریخ تک بیلنس شیٹ تیار کریں



Special Examination, KUWAIT.

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

- Q.1 Define audit. What are the main objects of auditing?
- Q.2 Define internal check, internal audit and internal control. Suggest a suitable system of internal check over stock/ inventory of a large scale manufacturing concern.
- Q.3 Explain in detail the techniques used by the auditors in vouching the following:
- i) Credit sales
 - ii) Wages and salaries
 - iii) Interest income
 - iv) Travelling expenses
- Q.4 What are the qualifications and disqualifications of an auditor of public limited companies in Pakistan under the provisions of Companies Act 2017?
- Q.5 Explain the special points which an auditor should keep in mind while examining the accounts of Insurance companies.
- Q.6 Discuss the auditor's liability in respect of Negligence and Libel. Support your answer with relevant case law references.
- Q.7 Describe Interim audit. Give its merits and demerits.
- Q.8 What is meant by verification? How would you verify the following?
- (I) Investments (II) Land and Building (III) Patents.



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Roll No.

Subject: Business Communication & Report Writing

Paper: BC-403

Time: 3 Hrs. Marks: 100

Special Examination, KUWAIT.

Note: Attempt ALL questions. All questions carry equal marks.

Q1: Define the following:

1. Dunning letter
2. Memorandum
3. Deductive approach
4. Complimentary close
5. Resume
6. Invoice
7. Endorsement
8. Semantic Noise
9. Enclosure
10. Solicited letter

Q2: What are seven principles of Communication? Explain.

OR

What are different barriers of communication? How can we overcome them?

Q3: You ordered 50 Computers for your laboratory. They are not yet received though were expected to have arrived a week before. Write down a letter of complaint to the respective dealer.

OR

Your one customer has to pay you 1,50000. You have sent him reminders but still 2 months have passed and the due payment is not received. Write down a letter of Urgency issuing a warning of legal action.

Q4: Define any FIVE of the given market terms:

- i) Demurrage, ii) bullish, iii) arbitrage, iv) blue chips, v) e-commerce, vi) dividend, vii) quotation, viii) haggling.

OR

Global warming is an increasing issue throughout the world. Your area is also affected by the issue. Write down a report mentioning the causes and effects of the situation. Also suggest some acts to avoid the grave consequences.

Q5: What are different types of presentations? Explain.

OR

What is AIDA plan? Explain.



Special Examination, KUWAIT.

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

Q. # 1 Define contract. Write down essentials of a valid contract.

Q. # 2 Define minor. What is the nature of the minor's agreements?

Q. # 3 What remedies are available to an aggrieved party on the breach of contract?

Q. # 4 Write notes on: (a) Fraud (b) Agency

(c) Consideration (d) Agreement.

Q. # 5 Explain briefly the implied conditions and warranties in a contract of sale of goods.

Q. # 6 Distinguish between Bill of Exchange and Promissory Note.

Q. # 7 Define the term common carrier. What are its features?

Q. # 8 Define Trade Union. How it is registered?



Special Examination, KUWAIT.

Note: Attempt any *FIVE* questions including Q. 8 which is compulsory.
All questions carry equal marks.

- Q.1 Define and explain the following terms with reference to Income Tax Ordinance 2001.
a) Filer b) Income c) Company d) Tax Year
- Q.2 What is meant by Agricultural Income? Is it taxable in Pakistan? Give at least six examples of Agricultural Income.
- 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 conditions lay down under the Income Tax Ordinance 2001 for depreciation allowance?
- Q.5 Discuss in detail the power and function of Commissioner Inland Revenue.
- Q.6 Define and explain the following terms with reference to Sales Tax Act 1990:-
a) Arrears b) Output Tax c) Supply d) Tax Invoice

- Q.7 Mr. Muhammad Akram is a registered manufacturer. Data regarding his business for the month of August 2019 is as follows:

01-Taxable supplies to registered person	Rs.22,00,000
02-Taxable supplies to non-registered person	Rs.4,50,000
03-Sales to retailers	Rs.3,00,000
04-Taxable supplies to Government Department	Rs.8,00,000
05-Credit Note issued for taxable supplies	Rs.75,000
06-Exempt supplies	RS.1,20,000
07- Zero-rated Supply	Rs.1,50,000
08-Sales tax debit	Rs.40,000
09- Supplies made for personal use (Inclusive the amount of sales tax)	Rs.1,00,000
10- Taxable purchases from registered person	Rs.2,80,000
11- Taxable purchases from non- registered person	Rs.1,00,000
12-Acquisition of fixed assets from registered persons	Rs.10,00,000
13- Sales tax credit	Rs.65,000
14-Debit Note issued for taxable purchases	Rs.20,000

Required: Calculate Sales Tax Payable.

Q.8 Compute the taxable income and tax payable of Mr. Fawad Rehan who during the tax year ended 30th June 2019 enjoyed income from the following sources:

01- Basic Salary (Pay scale Rs.60,000 – 6,000 – 90,000)	Rs.8,64,000
02- Bonus	Rs.1,44,000
03- Entertainment Allowance	Rs.45,000
04- House rent allowance at 50% of M.T.S	
05- Conveyance allowance	Rs.80,000
06- Encashment against un-availed leave	Rs.25,000
07- Interest free loan obtained from employer	Rs.12,00,000
08- Medical allowance	Rs. 95,000
09- Fixed educational allowance for children	Rs.50,000
10- Telephone bills paid by employee himself (Tax paid with telephone bills Rs.2500)	Rs.36,000
11- Tax paid by employer	Rs.10,000
12- Tax paid on cash withdrawal from bank	Rs.4,000
13- Zakat paid	Rs.1,80,000
14- Utilities allowance	Rs.20,000

15- T.V and Refrigerator provided by the employer only for the use of employee costly Rs.1,30,000 on which the company charged depreciation @ 20% in its books of accounts

S. No.	Taxable Income	Rate of Tax
1.	Where the taxable income exceeds Rs.12,00,000 but does not exceeds Rs.25,00,000	5% of the amount exceeding Rs.12,00,000
2.	Where the taxable income exceeds Rs.25,00,000 but does not exceeds Rs.40,00,000	Rs. 65,000 + 15% of the amount exceeding Rs. 25,00,000
3.	Where the taxable income exceeds Rs.40,00,000 but does not exceeds Rs.80,00,000	Rs. 290,000 + 20% of the amount exceeding Rs. 40,00,000



Special Examination, KUWAIT.

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

Q.1 Al-Noor Electric Lights had following inventories at the beginning and end of the month:

	Beginning	Ending
Materials	Rs. 45,000	Rs. 60,000
Work in process --- materials	Rs. 30,000	Rs. 13,000
Work in process --- labour	Rs. 52,000	Rs. 32,500
Work in process --- FOH	Rs. 19,500	Rs. 16,000
Finished goods	Rs. 40,000	Rs. 75,000

During the month the cost of raw materials purchased was Rs.195,000; direct labour cost incurred was Rs.260,000 and factory overhead applied to production was Rs.97,500.

Required: Prepare the necessary journal entries at the end of month to transfer cost of goods manufactured and sold to proper summary accounts.

Q.2 During the month of April Al-Khabeer Industry put into process raw materials worth Rs.90,000. Direct labour hours in Mixing Department totaled 1,000 at a cost of Rs.60,000 and direct labour hours in Finishing Department totaled 400 at a cost of Rs.120 per hour. Factory overhead is applied at a rate of R.36 per direct labour hour in the Mixing Department and Rs.72 per direct labor hour in the Finishing Department.

Inventories:	April 1	April 30
Materials	Rs. 28,800	Rs. 32,400
Materials in process	Rs. 10,800	Rs. 12,000
Labour in process	Rs. 14,400	Rs. 9,600
Factory overhead in process.....	Rs. 9,600	Rs. 7,200
Finished goods	Rs. 19,200	Rs. 24,000

Alem Industry produced 6,000 units of product during the month.

Required: A schedule showing cost of work put in process, cost of goods manufactured and cost of goods sold. Also find out unit cost of materials, labour and overhead for production during April

Q.3 Following costs are charged to B Department during the month: cost of units from A Department Rs.272,000; materials Rs.385,600; labour Rs.162,000; overhead Rs.166,500.

During the month B Department completes operations on 7,000 units and transfers these units to C Department. 500 units are lost in process; the loss is considered as unavoidable. At the end of month 1,000 units are in process; these units are 50% converted. All materials are added in B Department at the beginning of manufacturing operations.

Required: Prepare cost of production report of B Department.

Q. 4 Average daily requirement of 6'' diameter dish-shaped grinding wheel is 3 pieces. Time required to secure delivery from the usual supplier is 2 weeks. From the records of Novelty Tools Works, it is found that maximum requirement of the wheel in any month of 4 weeks does not exceed 100 pieces and minimum requirement during any such period is not likely to fall below 50 pieces.

Required: You are asked to fix minimum and maximum limits and also the ordering level. Assume the economic order quantity to be 5 dozens. If 2 days are sufficient to receive emergency supply, fix also the danger level.

Q.5 One of the raw materials used by Rasheed Rubber Factory is a chemical called R-33. Following information shows movement of this chemical in storeroom:

Sep. 1.....	Balance b/d	100 Liters @ Rs. 40
Sep. 4.....	Purchase	50 Liters @ Rs. 42
Sep. 8.....	Purchase	100 Liters @ Rs. 44
Sep.12.....	Issue.....	200 Liters
Sep.14.....	Purchase	150 Liters @ Rs.45
Sep.18.....	Return to supplier, purchased on Sep.4	20 Liters
Sep.21.....	Return to storeroom	20 Liters
Sep.26.....	Purchase	100 Liters @ Rs. 46
Sep.31.....	Issue.....	200 Liters

Required: Prepare Perpetual Inventory Cards and compute cost of material issued and cost of ending inventory under following methods:

- (a) First in, First out,
- (b) Last-in, First out, and
- (c) Average Costing.

Q. 6 Abdullah and Ahmed are two workers in assembling department of a manufacturing concern. During each day of previous week their hours worked are as under:

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 Annual estimated factory overhead of a company for an expected volume of 60,000 pounds of a product is as follows:

Fixed overhead	Rs. 450,000
Variable overhead	Rs.1,125,000

Output is 4,600 pounds in June and actual overhead expenses are Rs. 125,000-

- Required:**
- (a) Overhead rate per pound.
 - (b) Under or over applied factory overhead.
 - (c) Spending variance.
 - (d) Idle capacity variance.

Q. 8 Explain the following:

- (i) Primary apportionment
- (ii) Secondary apportionment
- (iii) Reciprocal apportionment
- (iv) Non-reciprocal apportionment



Special Examination, KUWAIT.

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

1. Discuss the Economic, Social and Political Obstacles to Economic Development of LDC's.
2. Describe what do you understand by the term human capital? How can we accumulate better human capital?
3. Why is agricultural credit important? What are its sources in Pakistan?
4. Are we privatizing sick industries or we are just selling the profitable organizations? Is privatization required? Why or why not?
5. How does depreciation in Pakistani Rupee impact our trade?
6. "Good Transport system is required for development". Comment.
7. Is foreign debt good for Pakistan? Discuss the associated advantages and disadvantages.
8. Write Short notes on the following
 - a) Social Factors in Economic Development
 - b) CPEC



Special Examination, KUWAIT.

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. Write main points of Allama Iqbal's Allahabad's address 1930.

سوال نمبر 1: علامہ اقبال کے خطبہ اللہ آباد 1930 کے اہم نکات قلمبند کیجئے۔

Q.2. Write in detail the initial problems a new born state, Pakistan faced right after creation?

سوال نمبر 2: ان ابتدائی مشکلات کو قلمبند کیجئے جو پاکستان کی نوزائیدہ مملکت کو اپنے قیام کے فوراً بعد پیش آئیں۔

Q.3. What is meant by Foreign Policy? Write down the objectives and basic principles of Pakistan's foreign policy.

سوال نمبر 3: خارجہ پالیسی سے کیا مراد ہے؟ پاکستان کی خارجہ پالیسی کے بنیادی اصول اور مقاصد تحریر کیجئے۔

Q.4. Write short note on any TWO.

سوال نمبر 4: کسی دو پر مختصر نوٹ قلمبند کیجئے:

(الف) نہرو رپورٹ 1928

(ب) تقسیم بنگال 1905 کے اسباب

(ج) قرارداد لاہور 1940