



UNIVERSITY OF THE PUNJAB

Associate Degree in Commerce /B.Com. Part – II Annual Exam – 2020

Roll No.

Subject: Advanced Financial Accounting

Paper: BC-401

Time: 3 Hrs. Marks: 100

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

Question:1

Write Short Answers of the following:

- 1- Explain Amalgamation 2- Define Accounts Payable 3- Define Equity Finance 4- Explain Share Premium
- 5- Define Bank 6- Explain Foreign Branch 7- Special Resolution for Winding Up 8- Define Working Capital
- 9- Define Creditor's Turnover Ratio. 10- Explain Merger of Company

1- کمپنی کا اتحاد 2- قابل ادائیگی والے اکاؤنٹس 3- ایکویٹی فنانس 4- حصص پر بیمہ 5- بینک 6- غیر ملکی شاخ 7- خصوصی قرارداد کمپنی سمیٹنے کے لئے 8- ورکنگ کیپٹل 9- قرض دہندگان کا کاروبار کا تناسب 10- کمپنی کے انضمام

Question:2

The following are the extracts from the Balance Sheet of Akhtar Company Limited Faisalabad as on 30th June 2017

Authorized Capital:	Rs.
40,000 ordinary shares of Rs.100 each	4,000,000
Issued, subscribed & paid up capital:	
20,000 shares of Rs. 100 each	2,000,000
Reserve Fund	1,200,000
Profit & Loss Account	800,000

The Board of Directors recommended:

- 1- To issue Bonus Shares in the ratio of one bonus share for every five ordinary shares held.
- 2- To issue Right Shares in the ratio of one right share for every four ordinary shares held. The Bonus Shares will not be entitled for above Right Shares. For the purpose of issue of bonus shares, the funds were to be provided out of Profit & Loss Account and Reserve Fund in Equal Proportion.

Required: Make necessary journal Entries to give effect to the recommendation of the Board and show how they would affect the Balance Sheet.

مطلوبہ: بورڈ کی سفارش کو اثر انداز کرنے اور یہ بتانے کے لئے کہ وہ بنائیس ٹیٹ کو کس طرح متاثر کریں گے، ضروری تردید کے اندراجات کریں۔

Question:3

Muslim Company Limited Karachi has 12% outstanding Debentures of Rs. 300, 000 on 1st January 2019. The company pays interest on 30th June & 31st December. It purchases 300 debentures for cancellation on 30th April, 2019 at Rs.98 Ex-Interest. It further purchases 200 debentures for redemption on 1st October, 2019, at Rs. 97 Cum-Interest.

Required: Pass necessary Journal Entries (including closing entries) in the books of company for 2019.

مطلوبہ: 2019 کے لئے کمپنی کی کتابوں میں جرنل کے ضروری اندراجات (بند ہونے والے اندراجات سمیت) پاس کریں۔

Question:4

Shafi & Co., Lahore has a branch at Gujrat. Goods are invoiced to the branch at the selling price, being cost plus 25%. The branch keeps its own sales ledger and deposits all cash received daily to credit of the head office account opened at IIBL, Gujrat. All expenses are paid by cheque from Lahore. From the following information. Prepare Branch account in the Books of Head office after making necessary adjustments & calculate branch profit and loss for the year 2019 and debtor account.

Particulars	Rs
Stock 01-01-2019	60,000
Stock 31-12-2019	72,000
Sundry Debtors 01-01-2019	33,600
Sundry Debtors 31-12-2019	43,200
Petty Cash 01-01-2019	1,500
Petty Cash 31-12-2019	1,500
Goods invoiced from H.O.	436, 800
Wages Paid	19,200
Sundry Expenses	3,840
Cash Sales	259,200
Credit Sales	168,000
Cash Collected from debtors	158,400
Rent Paid	12,000

ضروری ایڈجسٹمنٹ کرنے کے بعد برانچ آف ہیڈ آفس میں برانچ اکاؤنٹ تیار کریں اور برانچ کے نفع و نقصان کا حساب کتاب 2019 اور قرض دہندگان کے حساب کریں۔

Question:5

What is Departmental Account System? Discuss its Important Features.

ڈیپارٹمنٹل اکاؤنٹ سسٹم کیا ہے؟ اس کی اہم خصوصیات پر تبادلہ خیال کریں۔

Question:6 X Transport Ltd. Purchased from Lahore Motors, 3 trucks costing Rs. 100,000 each on the hire purchase system on 1-1-2015. Payment was to be made Rs. 60,000 down and the remainder in 3 annual equal installments, together with interest at 12%. X Transport Ltd. Writes off depreciation at 20% on the diminishing balance method. It paid the installment due at the end of the 1st year but could not pay the next. Lahore motors agreed to leave one truck with purchasers, adjusting the value of the other 2 trucks against the amount due. The trucks were valued on the basis of 30% depreciation annually.
Required: Show the Necessary Accounts in the Books of X. Transport for 2 Years

ضرورت ہے: 2 سال تک ایکس ٹرانسپورٹ کی کتابوں میں ضروری اکاؤنٹس دکھائیں

Question:7

Shama Construction Co. Ltd has undertaken the construction of a building for a newly started company. The value of the contract is Rs. 625,000 subject to retention of 20% until one year after the certified completion of the contract and final approval of the company's engineer. The following are the details as shown in the books on 31st December, 2019.

	Rs.
Material from stores	40,600
Material direct to site	210,000
Material in hand on Dec. 31st 2019	3,150
Labor on site	202,500
Wages accrued on 31st Dec. 2019	3,900
Hire and use of plant-plant upkeep account	6,050
General overhead allocated to the contract	18,550
Direct expenses	11,500
Direct expenses accrued on Dec. 31st 2019	800
Work not yet certified at cost	8,250
Cash received from contractee	440,000
Amount of work certified	00

Required:

(i) Contract Account (ii) Contractee's Account (iii) Show Relevant Items in Balance Sheet.

ضرورت ہے: بیلنس شیٹ میں متعلقہ اشیاء دکھائیں (iii) معاہدہ کارکنان (ii) معاہدہ اکاؤنٹ (i)

Question:8

The following Trial Balance relates to Ringo Ring Company Ltd. as on 31st March 2018.

Debit Balances	Rs.	Credit Balances	Rs.
Sundry Debtors	180,000	Share capital (3000 shares of 100 each)	300,000
Plant	81,000	Profit and Loss A/c (31-03-2017)	16,000
Furniture	12,000	Gross Profit	192,450
Closing Stock as at 31-03-2018	153,000	General Reserve	5,000
Rent and Taxes	24,000	Sundry Creditors	33,000
Salaries	47,000	Liabilities for expenses	9,550
Office Expenses	32,500	Discount-Cr	2,000
Discount	3,500	7% Debentures	40,000
Advance Income Tax	27,000		
Cash in hand	7,500		
Compensation to Employees	6,500		
Interim Dividend	12,000		
Preliminary Expenses	4,000		
Unexpired Payments	8,000		
	598,000		598,000

The following additional information is available: The Authorized Capital of company consists of 5,000 shares of Rs. 100 each. Office Expenses include Rs. 4,500 as audit fee and Rs. 500 as audit expenses. Charge depreciation on plant and furniture @ 8%; Outstanding Expenses: Salaries Rs. 4,000. Interest on debentures unpaid for one year. Transfer to General Reserve Rs. 8000 and Provision for Taxation to be made up to Rs. 15,000. Write off 50% of preliminary expenses and Rs. 5 per share as final dividend.

Required: - Prepare Profit & Loss account and Balance Sheet as on 31st March 2018.

ضرورت ہے: - 31 مارچ 2018 تک نفع اور نقصان اور بیلنس شیٹ تیار کریں۔