

SECTION 'B' (Short Answer Questions) (30)

NOTE: Attempt any THREE part questions. All questions carries equal marks.

2. SINGLE ENTRY:

On March 1, 2021, Mr. Muneeb started a business with an investment of Rs. 100,000 and decided to keep his business accounting records under single entry system. On June 30, 2021, the following information was available from his records:

Cash in hand	Rs. 39,000
Cash at Bank	24,000
Accounts Recieveable	7,000
Merchandise	20,000
Furniture	46,000
Accounts Payable	12,000
Bank Loan	10,000

ADDITIONAL INFORMATION AS ON JUNE 30, 2021.

- During the period he withdrew cash Rs. 6000 for his personal use.
- Additional investment of Rs. 20,000 was also made.
- Depreciation was charged on Furniture @ 12%
- Bad Debts were estimated Rs. 500
- Rent was prepaid Rs. 6,000
- Accrued Commission Income Rs. 7,000.

REQUIRED:

Prepare statement of Profit & Loss for the period ended on June 30, 2021

3. PARTNERSHIP DISTRIBUTION OF PROFIT & LOSS:

Qaiser and Abbas formed a partnership on January 1, 2020 with capitals of Rs. 150,000 and Rs. 180,000 respectively, agreed to share profit/loss as follows:

- Each partner will receive interest on beginning capital @10%
- Qaiser will be paid salary of Rs. 60,000 annually.
- A commission of Rs. 4,000 will be paid to Abbas.
- The remaining if any, shall be divided equally.

REQUIRED: Prepare an Income distribution summary assuming that the firm earned Net Income of Rs. 120,000 closes its books on December 31, each year.

4. NON-PROFIT CONCERNS:

The following is the receipts and payments account of Insaniat Welfare Society for the year ended on December.

Receipts	Rs	Payments	Rs
Opening Balance	10,000	Utilities Expenses	9,000
Rent Revenue	50,000	Free Supply of ration	20,000
Donations	40,000	General Expenses	12,000
Other Revenues	10,000	Salary Expenses	18,000
		Furniture	10,000

ADDITIONAL INFORMATION

- Prepaid Salaries Rs. 3,000
- Unearned Rent Rs. 5,000
- Utilties Payable Rs. 4,000
- Depreciation on furniture Rs. 1,000

REQUIRED: Prepare an Income and Expenditure account for the year ended on December 31, 2020.

5. PARTNERSHIP - ADMISSION:

Akber and Asghar are partners having capital balances of Rs. 60,000 and 40,000 respectively, sharing profit equally. They decided to admit Talib as a new partner.

REQUIRED: Give entries in the general journal to record the admission of new partners under each of the following assumptions separately.

ASSUMPTIONS-1: Talib invests cash Rs. 50,000 for $\frac{1}{2}$ interest in the firm (Record Bonus)

ASSUMPTIONS-2: Talib invests cash Rs. 20,500 for $\frac{1}{5}$ interest in the firm (The old partners do not agree to reduce capitals).

6. Sunlight Company Ltd completed the following transactions during the year. The par value of each share is Rs. 10 and debenture Rs. 100 each.

- The Company offered to the public 60,000 shares of Rs. 10 each at Rs.12 per share. Applications were received for 60,000 shares. The Company Directors finalized the allotment of shares.
- Purchased machine for Rs. 84,000 and in consideration the company issued necessary numbrs of shares at a market value of Rs. 12/- each.
- In consideration of the services of the promoters, the company issued 6000 shares of Rs. 10/- Each share has a market value of Rs. 12.50/
- Received Rs. 185,000 against issuance of 2000, 12% debentures of Rs. 100 each redeemable after 5 years at Rs 110 each.

REQUIRED: Record the above transactions in General Journal.

SECTION "C" (Detailed Answer Questions)(20)

NOTE: Attempt any ONE part questions. All questions carries equal marks.

7a. Green private Ltd purchased a machine on May 1, 2019 at a cost of Rs. 425,000 with estimated life of 10 years and scrap value Rs. 125,000 the machine had a working life of 25,000 hours and 75,000 units. The company's accounting year ends on December 31. During the year 2019,

the machine worker for 2000 hours and produced 6000 units and during the year 2020 it worked for 4000 hours and produced 14000 units.

REQUIRED:

- Compute depreciation expense on Dec 31, 2019 and 2020 under the following methods.
 - Straight line method
 - Working Hours method
 - Units Output method
 - Diminishing Balance method @ 20%
- Give Adjusting Entry for 2019 under Straight line method, closing entry for 2020 under working hours method.

7b. PARTNERSHIP - LIQUIDATION:

ABC brothers decided to liquidate their business on December 31, 2020, following is the balance sheet on the date of liquidation:

Assets		Equities	
Cash	50,000	Accounts Payable	40,000
Other Assets	150,000	Capital A	64,000
		Capital B	64,000
		Capital C	32,000
	200,000		200,000

The investment and sharing ratio among the partners is 2:2:1. All assets, other than cash were sold for cash Rs. 130,000 and accounts payable were paid in full.

Required: Record the whole liquidation process in General Journal, showing all computations. (Ledger Accounts are not required)

نوٹ: سال 2020 میں گیارہویں اور بارہویں جماعت کے امتحانات نہیں ہوئے تھے۔