

BOARD OF INTERMEDIATE EDUCATION, KARACHI
INTERMEDIATE EXAMINATION, 2016 (ANNUAL)

Date: 09.05.2016
 2:30 p.m. to 2:50 p.m.

ACCOUNTING PAPER – II
(Commerce Group – Regular & Private)

Max. Marks: 20
 Time: 20 minutes

The correct answers are highlighted in red colour.

Code No: AC-01

NOTE:

- i) This section consists of 20 part questions and all are to be answered.
 Each question carries one mark.
- ii) Do not copy the part questions in your answerbook. Write only the answer in full against the proper number of the question and its part.
- iii) The code of your question paper is to be written in bold letters in the beginning of the answerscript.

Write this Code No. in the Answerscript.

1. Choose the correct answer for each from the given options:

- i) The amount of share capital with which a company is registered is called:
 * Called up capital * **Authorised capital** * Paid up capital * Issued capital
- ii) Accumulated profits of a company are called:
 * Net Income * Liabilities * **Retained Earnings** * Dividends
- iii) Owners of a Public limited company are called:
 * Directors * Promoters * Liquidators * **Shareholders**
- iv) In single entry system, a statement composed of Assets, Liabilities and Capital is called:
 * Profit/Loss statement * **Statement of Affairs**
 * Statement of Retained Earnings * Bank Statement
- v) In Non-profit concerns, the amount collected from members on regular basis is known as:
 * **Subscription** * Donation * Loan * Fees
- vi) The alternative term used for salvage value is:
 * **Scrap value** * Market value * Book value * Depreciable cost
- vii) In the absence of any agreement regarding sharing of profit/loss, it will be distributed among the partners:
 * In average capital ratio * In ending capital ratio
 * In beginning capital ratio * **Equally**
- viii) Current Accounts of the partners are operated when the capitals:
 * Increase * Decrease * Fluctuate * **are Fixed**
- ix) At the time of Admission of a new partner, when the old partners do not agree to reduce their capital, it means:
 * **Goodwill to new partner** * Goodwill to old partners
 * Bonus to old partners * Bonus to new partner
- x) Partners' current accounts are a part of:
 * Income statement * Current assets * Fixed assets * **Owners' equities**
- xi) Debentures payable account is:
 * Current Liability * Owners equity
 * **Long term liability** * none of these
- xii) Reserves are created out of:
 * **Retained earnings** * Current liabilities
 * Current assets * Long term liabilities
- xiii) If a journal entry consists more than one debit or one credit account, the entry is called:
 * Single entry * **Compound entry** * Simple entry * none of these
- xiv) A public limited company is managed by the:
 * **Board of Directors** * Board of Governors * Creditors * Debtors
- xv) Accumulated Depreciation account is:
 * Current asset * Intangible asset * **Contra asset** * Liability
- xvi) Profit distributed to shareholders known as:
 * Interest * Net income * **Dividend** * Commission
- xvii) Cost-Accumulated depreciation is equal to:
 * Book value * **Depreciable cost** * Market cost * Retail cost
- xviii) The nominal value printed on the face of share is called:
 * Market value * Retail value * Cost value * **Par value**
- xix) While computing the cost of plant asset, this will not be included:
 * Insurance in transit * **fire insurance** * Transportation in * Installation charges
- xx) This does not appear in Balance sheet:
 * Building * Cash * Goodwill * **Rent expenses**

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