

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

Date: 12.05.2016
2:30 p.m. to 2:50 p.m.

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

Max. Marks: 20
Time: 20 minutes

The correct answers are highlighted in red colour.

SECTION ‘A’
(MULTIPLE CHOICE QUESTIONS) – (M.C.Qs.)

Code No: AC-01

Write this Code No. in the Answerscript.

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.

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

- i) The owner's claim to the assets of the business is:
* Asset * Expense * Liability * **Owner's Equity**
- ii) A business that purchases and sells goods is called:
* Manufacturing * Servicing * **Trading** * none of these
- iii) These accounts normally have credit balances except:
* Bank loan * Sales * **Sales return** * Accounts payable
- iv) This is Non-current asset:
* Inventories * **Equipments** * Office supplies * Accounts Receivable
- v) Amount paid for servicing of owner's car will be recorded as:
* Asset * Liability * Expense * **Drawing**
- vi) The excess of assets over capital is:
* Income * Expense * Profit * **Liability**
- vii) Revenue of business is Rs. 60,000, while Net loss is Rs. 15,000 then expenses are:
* Rs.15,000 * Rs.45,000 * Rs.60,000 * **Rs.75,000**
- viii) All cash receipts and payments are recorded in:
* Purchase Journal * Sales Journal * Pass Book * **Cash Book**
- ix) Contra entry appears on this side of cash book:
* Payment side * Receipt side * **Both sides** * none of these
- x) Journals are also called:
* Ledgers * Books of final entry
* **Books of primary entry** * Financial statements
- xi) Overdraft in the bank statement is shown as:
* Credit Balance * **Debit Balance** * Zero Balance * Both Debit & Credit Balance
- xii) Ending stock is:
* Liability * Income * **Asset** * Capital
- xiii) This shows the financial position of the business:
* Income Statement * Cash Book * **Balance Sheet** * Bank Statement
- xiv) Cost of goods sold is a part of:
* Equities * Balance sheet * **Income statement** * Cash book
- xv) This account will be credited, if Mr. A started business with cash:
* **Capital** * Cash * Drawing * Expense
- xvi) An Entry with more than one debit or credit is called:
* Double entry * **Compound entry** * Contra entry * Triple entry
- xvii) If total Assets are Rs. 50,000 and liabilities are 20% of assets, then capital is:
* Rs. 10,000 * **Rs. 40,000** * Rs. 50,000 * Rs. 60,000
- xviii) Un-earned income is a/an:
* Asset * **Liability** * Owner's Equity * Expense
- xix) The term 'Cost of Goods Sold means':
* Sales + Gross profit * Sales – Net profit
* Sales + Net profit * **Sales – Gross profit**
- xx) Closing entries are made to close:
* Assets account * Liabilities account
* Capital account * **Revenues and expenses account**

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